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NEWS SUMMARY

GENERAL

War and embargo cost Iran $6bn

Iran has suffered foreign currency losses of $6bn (£2.56bn) as a result of the Western trade embargo and the war with Iraq.

Reserves stand at $4bn, President Bani-Sadr said on the second anniversary of the Islamic revolution. The budget for the financial year beginning next month would show a deficit of more than $14bn.

Ayatollah Khomeini warned the clergy to stop interfering in the country's executive affairs. Back Page

Strategy adjusted

The recession has forced the Government to adjust its economic strategy, Leader of the House Mr. Francis Pym said. Parliament Page 10

Polish reshuffle

Poland's Government will be reshuffled today following the formal approval of General Jaruzelski as the new premier. Back Page

Hotel blaze

Arsonists are believed to have started fires which killed eight and injured 242 in the Hilton Hotel, Las Vegas. Page 6

BA strike

British Airways maintenance engineers, ramp and ground service workers at Heathrow voted for a series of 24-hour strikes. Page 12

Seamen in talks

The National Union of Seamen and shipping employers will start arbitration talks today aimed at ending their pay dispute. Back Page

MP to quit

Labour MP for Gateshead West John Horam, a Council for Social Democracy supporter, told his constituency party he would not be available for reselection for the next election.

Inspector sacked

Poultry inspector Joanna Harris, who refused to join a trade union under a closed-shop agreement, was sacked by Sandwell District Council. Page 12

Confidence vote

Italy's Government won a confidence vote after almost a week of delay by opponents of anti-terrorist laws.

Times decision

Mr. Rupert Murdoch will decide today whether the agreements secured with unions are sufficient for him to confirm his bid for Times Newspapers. Select committee, Page 7.

Site sale move

The GLC hopes to sell 10 acres of the important Coin Street development site on the Thames' south bank to Greycoat Commercial Estates.

Fish peace bid

Differences between Britain and France continued to hold up progress towards an EEC fisheries policy at a meeting of ministers in Brussels.

Trawler arrested

Royal Navy hydrofoil HMS Speedy arrested a Spanish trawler 100 miles from Land's End for a suspected fishing offence.

Briefly . . .

British team abandoned Mount Everest expedition because of high winds.

Public inquiry into Stansted Airport will open on September 15. Page 9

Mrs. Rosina Stonehouse, 87, mother of former Labour MP John Stonehouse, died in hospital.

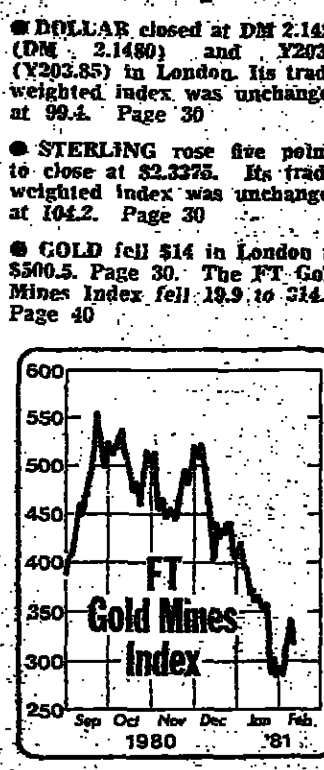
BUSINESS

$14 fall for gold; dollar steady

● DOLLAR closed at DM 2.1490 (DM 2.1480) and Y203.9 (Y203.85) in London. Its trade-weighted index was unchanged at 99.4. Page 30

● STERLING rose five points to close at $2.3375. Its trade-weighted index was unchanged at 104.2. Page 30

● GOLD fell $14 in London to $500.5. Page 30. The FT Gold Mines Index fell 19.9 to 314.6. Page 40



● EQUITIES were steady, with the FT 30-share index up 0.8 at 486.3. Page 40

● GILTS were subdued, with the Government Securities Index up 0.04 at 69.10. Page 40

● WALL STREET was down 4.52 at 944.11 near the close. Page 38

● SAUDI RIYAL was devalued from 3.38 to 3.34 against the U.S. dollar.

● DUTCH GOVERNMENT plans a wide-ranging review of its activities to prepare for extensive spending cuts. Page 2

● SOUTH AFRICA has been exporting a wide variety of goods to Iran, including maize and steel, ship operators say. Page 6

● INDONESIA'S oil exports fell by nearly 8 per cent last year to 380m barrels from 411m in 1979. Page 6

● STOCK EXCHANGE will bring in new regulations for foreign oil and gas companies raising UK money for overseas exploration. Back Page; North American oil companies' progress: Page 24

● NEW DRILLING LICENCES for North Sea exploration will probably be issued by the Government towards the end of this month. Page 8

● NATIONAL COAL BOARD said it would have to curb price rises in the next three years to reach its target of selling 120m tonnes a year. Page 8

● SOCIETE GENERALE de Belgique, Belgian financial and industrial holdings group, cut its dividend for 1980 despite improved net profits. Page 28

● DEUTSCHE BABCOCK, the West German construction and engineering group, cut its dividend on ordinary shares from 16 per cent to 6 per cent, despite high sales and profits for the past year. Page 28

● JIM SLATER'S private property company Strongmead will be taken over by Laganvale Estates, the publicly quoted Belfast property group, in which Strongmead has a big stake. Page 25

● STONE-PLATT Industries, textile machinery and engineering group, is selling its marine propeller business. Back Page

● MARTIN FORD, ladies' wear retailer, reported pre-tax profits down from £1.33m to £243,850 for the year to November 29. Page 24

● YORKSHIRE BANK reported pre-tax profits of £19.8m for 1980, against £19.1m for 1979. Page 26

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Exchq. 14pc '84	£102⅞	+ ½	London Sumatra	380	+ 37
Bowthorpe	151	+ 5	Lanuva	375	+ 15
First Castle	99	+ 6	Metals Energy	21½	+ 5½
Hambros Bank	645	+ 15	**FALLS**		
Intnl. Paint	95	+ 7	Crouch Group	138	− 16
Intervision	38	+ 5	Dowty	193	− 8
Laganvale Estate	35	+ 3½	European Ferries	162	− 6
Lister	40	+ 5	Harrisons Crosfield	762	− 38
Lovell (Y. J.)	218	+ 8	Press Tools	28	− 4
Reardon Smith A	142	+ 18	Prince Wales Hotels	80	− 5
Reed (Austin) A	88	+ 6	Shell Transport	418	− 6
Riley (E. J.)	53	+ 4	Anglo-Amer. Gold	£38¼	− 2¼
Securicor	181	+ 9	Durban Deep	857	− 73
Spear and Jackson	88	+ 6	Hartebeest	£25	− 3¼
Thorn EMI	294	+ 6	Kinross	536	− 42
Waddington (J.)	94	+ 10	Otter Exploration	56	− 6
Warren Plantations	219	+ 12	President Steyn	£15¼	− 1¼
Westland	127	+ 8	Rustenburg Plat.	236	− 14
Whittingham (W.)	128	+ 6	Southvaal	£12	− 1¼
			Western Mining	239	− 11

Talbot UK to close Linwood plant with loss of 4,800 jobs

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

TALBOT UK is to close its car plant at Linwood near Glasgow with the loss of all 4,800 jobs, or nearly one-third of the company's 16,000 British workforce.

The Government, which attempted to head off the closure with offers of financial assistance towards investment at Linwood, accepted that the move was "the only realistic policy open to Talbot."

Linwood is Scotland's sole car plant and its closure will leave *Talbot UK mainly as an assembler of car kits sent from* France. Car exports will also end, although kit exports to *Iran will continue.*

Talbot's manufacturing and exporting will be concentrated on engines and the Dodge commercial vehicles.

Peugeot SA, the French parent group, stressed yesterday that Talbot would "maintain a strong presence in the UK."

However, operating losses and associated interest charges for Linwood in 1979 were over £20m and losses for 1980 were "even higher."

"The company simply cannot afford to continue with losses of this magnitude," Peugeot said. The French group, which includes Citroen as well as Talbot, is expected to reveal net losses of more than FFr 2.1bn (£183m) for 1980.

Talbot UK said the big reduction in the total British car market, together with a big fall in exports caused by the high level of sterling, had made it impossible to achieve sales levels necessary to make Linwood viable.

The plant has a reputation for poor labour relations but Mr. *George Turnbull, the managing* director, stressed: "The workforce at Linwood have responded very well to the need *to improve productivity* and the company is in no way blaming them or their trade unions for the decision to close the *plant.*"

Closure would cost £20m in redundancy payments, he said.

News of the closure, although expected for some months, was greeted with anger and despondency by the workforce. At a meeting at the plant today the shop stewards are likely to call on dockworkers and railwaymen to blockade imports of built-up cars from the Peugeot group.

Mr. Norman Buchan, Labour MP for Renfrew West, in whose constituency part of the plant lies, called for the Government to persuade Peugeot to change its decision. "The effect on the local community of Linwood will be disastrous beyond *belief.*"

Mr. John Davidson, director of the Confederation of British Industry in Scotland, said: "We *are extremely concerned at the* social implications of this closure. This is a major blow to the economy of the West of *Scotland.*"

Unemployment in the Linwood area is 11.7 per cent, compared with 15.1 per cent *for the Strathclyde region* as a whole.

Talbot UK, the former Chrysler business, has received £64m *in loss subvention* grants from the Government since a financial rescue operation in 1976. These grants ended in 1979 and *are* not returnable.

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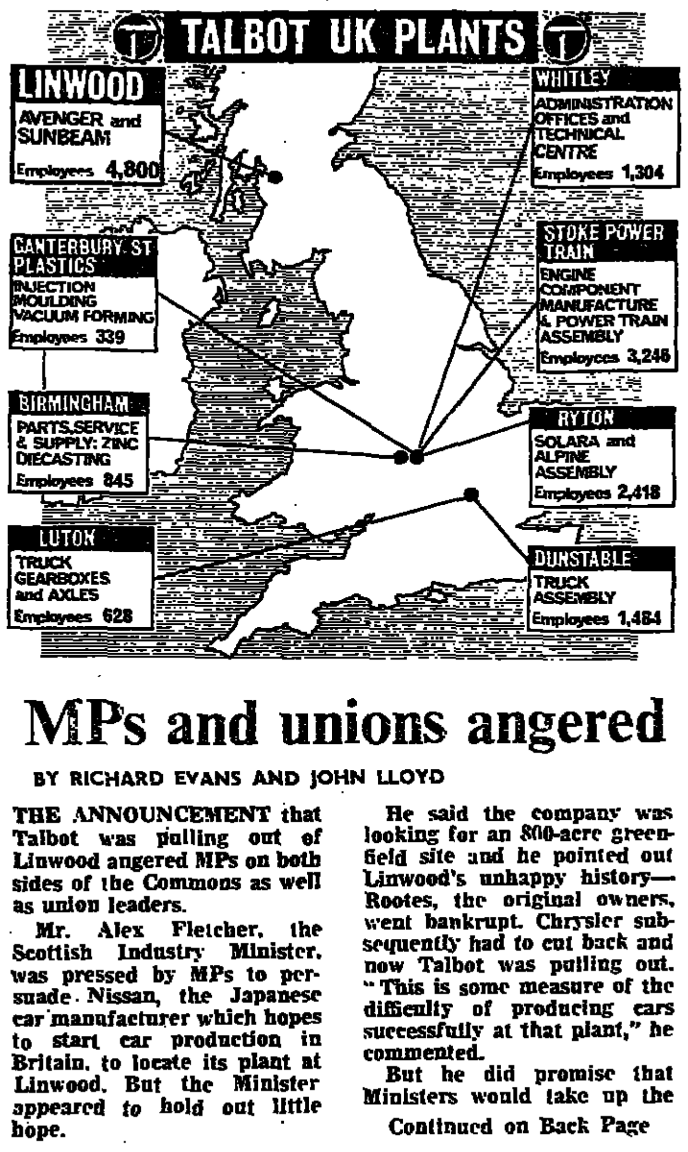
Rootes gamble which could never pay off, Page 7



MPs and unions angered

BY RICHARD EVANS AND JOHN LLOYD

THE ANNOUNCEMENT that Talbot was pulling out of Linwood angered MPs on both sides of the Commons as well as union leaders.

Mr. Alex Fletcher, the Scottish Industry Minister, was pressed by MPs to persuade Nissan, the Japanese car manufacturer which hopes to start car production in Britain, to locate its plant at Linwood. But the Minister *appeared to* hold out little hope.

He said the company was looking for an 800-acre greenfield site and he pointed out Linwood's unhappy history—Rootes, the original owners, went bankrupt. Chrysler subsequently had to cut back and now Talbot was pulling out. "This is some measure of the difficulty of producing cars successfully at that plant," he commented.

But he did promise that Ministers would take up the

Continued on Back Page

Thatcher delays policy statement on BSC funding

BY HAZEL DUFFY AND RICHARD EVANS

THE ACUTE problems of many private sector steel companies have forced the Government to postpone an expected statement this week concerning more *money for the British Steel* Corporation.

Instead, the Government announced yesterday that it has *decided to increase the borrowing* powers of BSC by £500m as an interim measure ahead of the major policy statement.

A brief Bill was presented to Parliament last night extending BSC's borrowing powers by £500m to £6bn. The new limit can be increased further to £7bn by a Parliamentary order.

The intention is to rush the Iron and Steel (Borrowing Powers) Bill through Parliament in the next fortnight so that BSC, which is rapidly approaching its borrowing limits, will have enough working capital to maintain production.

It is understood that the decision to postpone the major statement was taken largely at the instigation of the Prime Minister, who argued that more time was needed to ascertain the impact on the private sector of more Government funding for BSC. More details were also needed about how the additional subventions were to be spent.

Mr. Norman Tebbit, Industry Minister, made the statement to the Commons yesterday to the surprise of MPs who had expected it would be made by Sir Keith Joseph, Industry Secretary.

Mr. Tebbit sought to assure Tory backbenchers that additional Government support to BSC will not be used in such a way as to weaken further the position of the private-sector

He said it was the Government's intention that BSC should not use funds "to destroy the independent sector of the steel industry."

Some independent companies have accused BSC of using its subsidised position to cut prices, making it impossible for *the unsubsidised private sector* to compete in those products made by both sectors.

The Government hopes that with its statement on the future of BSC it will be able to announce that agreement has been reached between BSC and certain private sector companies on the rationalisation of capacity.

Substantial progress has been made on one such project, code-named Phoenix 1, between BSC and GKN, but final agreement is still subject to the resolution of certain outstanding differences.

There seems little doubt that the Government will eventually agree to the corporate plan *which was submitted by Mr. Ian* MacGregor, BSC chairman, shortly before Christmas.

That called for the injection of *another £750m* of Government money into BSC for the financial year beginning April 1, while BSC continues to try to improve its efficiency by maximising the utilisation of its plants.

The Government's problem, however, is *to make provision* for BSC—both as regards the £750m and the capital reconstruction which has already been foreshadowed *in the* Queen's Speech—in such a way as not to bar the private sector.

"Safeguard private steel groups," Page 10

China cuts more foreign projects

BY OUR FOREIGN STAFF

BRITISH and West German companies have been hit by the Chinese Government's growing list of plant project cancella*tions and postponements.*

Davy McKee, the UK engineering and construction concern, said yesterday that a *$200m (£85.6m) project to build* a polyester polycondensation plant in Nanking has been postponed. The contract for the *project, described as the biggest* plant of its type, was won in 1978 by Zimmer AG, a wholly-owned Davy subsidiary.

Constructors John Brown (CJB) said the Chinese have decided to stop work on its £26m high density polyethylene plastics project. This contract was agreed in 1978. The process engineering and construction company said it was told of the decision by telex in January and asked to suspend equipment deliveries.

Schloemann Siemag, the West German steel engineering concern, said it had been asked by China's National Technical Import Corporation to stop work on a DM 1.3bn (£260m) *steel rolling mill in Baoshan*, near Shanghai.

The project cancellations began last spring. China's *problems stem from the failure* of its oil exports adequately to pay for equipment purchases, a weakening foreign exchange position and *organisational* problems which have set back the economic liberalisation programme.

Japanese officials in Peking expressed scepticism yesterday at Chinese reassurance that no other major contracts for plant and equipment would be cancelled. They said similar assurances in the past had been followed by further cancellations.

The Davy McKee-Zimmer plant was to have had a daily capacity of 1,600 tonnes of polyester polymer.

Davy expressed concern about other contracts. Two almost completed oxo-alcohol plants, agreed in December, 1978, are *at risk. The same* is true of a synthesis gas plant. The total value of Davy's work in China is about $350m.

Contractors John Brown said *£18m of its £26m project had* been paid for and most of the engineering work completed.

It has been told the feasibility study it prepared for a tin mine will not be implemented. CJB carried out the study with assistance from Charter Consolidated.

Schloeman Siemag's partners in its deal include Siemens and AEG-Telefunken, MAN, Thyssen and Hochtief, all from West Germany, Wean-United of the U.S., Rutherner Industrieanlagen of Austria and Nippon Steel Corporation of Japan.

Medium term tap stock meets subdued response

BY DAVID MARSH

THE NEW medium term tap stock, Treasury 12 per cent 1986, met a subdued response *when offers closed yesterday* morning, with only a very small amount of the nominal £1bn issue taken up by the market.

The gilt-edged sector was, however, generally firmer, with short term issues rising by up to £½ and longer-dated stocks *by between £½ and £¾.*

The three-month inter-bank rate fell 1/16 to 13⅞ per cent, back nearly to the lowest level *of last week.*

The City financial markets are still looking forward to a cut in Minimum Lending Rate before too long, although a reduction is now not generally expected before the March Budget.

Only £20 per £100 nominal of the new tap had to be paid over at the tender yesterday, with the rest due in March and April.

The Bank of England said all tenders received were allotted in full at the minimum price of £96 per cent, indicating that the offer was *under-subscribed.*

At this price the stock yields 13.05 per cent to final redemption, somewhat below yields *available on issues already avail*able in the market. The new tap is therefore, expected to open at a discount when it starts trading today.

BR has talks on private sector involvement in electrification

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

BRITISH RAIL has started talks with Morgan Grenfell, the merchant bank, and the Railway Industry Association, which represents equipment makers, about ways of involving the private sector in future electrification.

The move was disclosed yesterday as a British Rail Transport Department reported advocated the electrification of more than half BR's network and the Government announced that a decision on further electrification was likely before the end of the year.

The British Rail Transport Department report puts forward three options. The most wide-ranging, which is the one it favours, would cost up to £775m at 1980 prices over a 20-year construction period and involve more than doubling electrified route mileage to 5,750 miles.

Routes to be electrified if the Government gave the go-ahead would include the east coast main line to Leeds and New*castle-upon-Tyne;* Edinburgh and Aberdeen; the Midland main line through Sheffield; Birmingham to York, Edinburgh to Glasgow and Carstairs; London to Bristol, South Wales, Plymouth and Penzance; Crewe to Holyhead; Doncaster to Hull; Manchester to Leeds and Birmingham to Taunton.

It seemed more likely last night that the Government would eventually choose the least comprehensive option. This envisages an electrified network of 3,460 route miles after 20 years at a cost of £220m at 1980 prices.

The joint report says the case for more investment in electrification "assumes that British Rail *is able to* justify investment in its commercial businesses — especially freight — at higher than present levels."

Rail freight, however, *lost* about £70m last year and, like the Inter-City passenger business, failed to meet the financial targets agreed in March, 1980, by British Rail and the Transport Department.

Mr. Norman Fowler, Transport Secretary, said in a Commons written reply yesterday he accepted that the report gave a "favourable assessment of the case for more electrification in economic terms." He would consider the prospects for British Rail's commercial businesses and how funds to finance electrification might be generated.

The involvement of equipment manufacturers as a possible way of finding money has been under consideration since the joint review's interim report was published in September, 1979. Sir Peter Parker, British Rail chairman, said yesterday that the 11 per cent real rate of return envisaged by the final report to be obtainable from the most ambitious scheme opened the way for "real scope for the private sector to contribute towards the total investment required."

The Government is less confident that the "quite severe problems" of involving the private sector can be overcome, the Transport Department said.

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Private sector would benefit, Page 9

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EXTENSIVE CUTS VITAL, WARNS PRIME MINISTER

Dutch plan wide review of spending

BY CHARLES BATCHELOR IN AMSTERDAM

THE Dutch Government yesterday announced it will carry out a wide-ranging review of spending to prepare the way for extensive cuts in departmental spending and in health and welfare outlays.

All areas of government activity will be looked at with the aim of cutting 20 per cent off the former and 10 per cent off the latter from the levels currently projected for 1985.

A critical view of all aspects of government spending will be taken. Traditional policies, "sacred cows" and other areas of spending which have been unquestioned hitherto will be reassessed, Mr. Driest van Agt, the Prime Minister, said in a letter to Parliament.

The review will be completed by June in time for the government which emerges from May's general election to incorporate its findings in its economic policies. The Netherlands can no longer afford the long delays which usually occur when a new Cabinet starts drawing up policy, Mr. van Agt said.

Whoever comes to power will be unable to avoid making considerable savings, Mr. van Agt warned. The findings of the two reports—one on departmental spending, the other on welfare and health spending—will not be binding on the next government, however.

Any savings suggested will be in addition to spending curbs which have already been imposed by the present Cabinet, he said.

A fundamental review of Dutch spending levels has become necessary because of a slow-down in economic growth. Public spending, which was planned on the basis of higher rates of growth, now threatens to absorb too large a part of national income.

Spending cuts of Fl 16bn (£2.95bn) would be necessary over the next four years even if a 1 per cent annual increase in national income was achieved, wage rises were held down and unemployment stabilised around 280,000. Even these savings would not take into account the need to provide extra funds to help modernise industry.

Two ministerial commissions have been formed, backed by teams of officials, to produce the two reports. Mr. van Agt, Mr. Hans Wiegel, his deputy, and Mr. Fons van der Stee, the Finance Minister, will head both groups.

The public sector spending deficit is expected to be around 8 per cent of national income this year, amounting to Fl 24bn (£4.4bn).

Mr. van Agt . . . no stone unturned.

OECD expects Austrian economy to slow this year

BY ROBERT MAUTHNER IN PARIS

AUSTRIA, which has had one of the best economic records in the Western world over the past few years, will suffer a marked weakening of economic activity in 1981, according to the latest survey by the Organisation for Economic Co-operation and Development (OECD).

After rising by 5.1 per cent in 1979 and by 2.6 per cent last year, Austria's real GDP is expected to remain unchanged in the current year. But the OECD forecasts that it will begin to recover in the second half of this year to an annual rate of increase of 1.8 per cent, compared with the second half of 1980.

Austria is given a special praise for its relatively good performance on inflation. Consumer prices are expected to rise by no more than 5.3 per cent this year, after increasing by 6.2 per cent in 1980, reflecting weak demand and continued moderate wage settlements.

"The rate of inflation has remained one of the lowest in the OECD area, largely because of the acceptance by the social partners of the real income loss attributable to higher oil prices." the report says.

Unemployment is forecast to rise a little this year to about 2.5 per cent of the total labour force, but should still remain among the lowest in the OECD area.

The slow-down in economic activity is likely to lead to a reduction of the current payments deficit from $4.25bn last year to $3.25bn this, equivalent to some 4 per cent of GDP.

Given this comparatively large shortfall, the OECD considers that some tightening of demand management is inevitable. But this alone will not be enough to solve the country's external payments problem. In the medium term, an improvement in competitiveness may well be required.

The OECD expects monetary and fiscal policies to remain relatively tight in 1981 and interest rates to be kept above the West German level, in order to prevent capital outflows to support the exchange rate. But it warns that, if interest rates are kept too high over a prolonged period, they would have an adverse effect on business investment

Hopes raised for Italian recovery

BY RUPERT CORNWELL IN ROME

THE ITALIAN economy may have already passed the most painful stage of the current recession and could start to show signs of a modest upswing towards the middle of this year, according to the semi-official ISCO forecasting agency.

None the less, in its latest report issued here, the agency expresses the belief that 1981 will be a year of zero growth for the Italian economy, in keeping with the likely pattern in the other main industrial countries of Europe.

The depressed level of business activity, however, should help reduce the country's trade deficit estimated at around L19,000bn (£8bn) for 1980. Italian exports last year shrank in volume terms for the first time since 1945. But, in 1981, ISCO is expecting a 4 per cent volume growth of exports, and a 5 per cent contraction in imports.

Further evidence of the slowdown under way has come with the latest industrial production figures, which show that output fell 0.7 per cent in December compared with December 1979. Production rose 5.5 per cent overall last year, compared with an advance of 6.4 per cent in 1979.

The agency warns, however, that the upswing, when it comes, could prove short-lived if there is no progress towards dismantling the structural obstacles to steady growth, which make the economy particularly sensitive and vulnerable to outside pressures.

ISCO argues that Italy's low productivity reflects the inherent rigidity of the system, as various interest groups fight to hang on to what they have achieved. In this sense, the country's low per-capita income is not only the result of, but also the cause of low productivity.

This theory is being borne out abundantly by a sharp increase in industrial unrest in Italy. The hospital system will be hard hit by a strike of doctors and other medical workers which began yesterday, while fresh disruption is threatened for passengers of Italian domestic and international airlines in the next few days.

The main unions, meanwhile, are calling a series of strikes throughout the country to protest about a number of grievances, including the controversial plans of the Montedison chemical group to shed 8,000 of its Italian workforce in order to lift productivity nearer to the levels in Italy's EEC competitor countries.

Optimistic forecast in Sweden

By William Dullforce in Stockholm

SWEDEN'S non-Socialist Coalition Government calculates that price rises this year can be kept below the threshold at which they would trigger higher industrial wages. It also believes that the current account deficit will be slightly smaller than it forecast last month.

The new forecasts, released yesterday by the Economy Ministry, have been adjusted from those given in the 1981 Finance Plan, to take account of the recent moderate pay settlement for 900,000 blue-collar workers, the increase to 12 per cent in the Riksbank's (central bank) discount rate and the Government's latest spending cuts.

The Ministry now expects consumer prices to rise by slightly more than 9 per cent in 1981 compared with the 7 per cent forecast in the finance plan.

But, as increases in energy prices are excluded from the index which will be used in the new pay settlement, the Government believes the 8.9 per cent threshold, after which the trade unions could call for higher wages, will not be reached.

The Economy Ministry assumes that pay settlements for public sector workers will not be higher than the settlement agreed for industrial workers. This settlement gave workers a basic 7.1 per cent increase over the next two years. Combined with the 2 per cent rise in the discount rate it has dampened speculation about a devaluation and taken pressure off the krona.

Gross national product is not expected to grow by more than 0.4 per cent this year. Real disposable incomes are scheduled to decline by 1.5 per cent and private consumption by 0.5 per cent.

Exports should rise by only 1.7 per cent, less than forecast in the finance plan, but the decline in imports will be heavier, leading to a current account deficit of SKr 22.1bn (£2.1bn) instead of the SKr 22.8bn forecast in January.

The 2.8 per cent growth forecast for industrial investment remains unchanged and the Ministry calculates that the effects of the relatively modest pay packet and the higher interest rates will cancel each other out.

Belgian arms exporter hit by strike

LIEGE—Workers at Fabrique Nationale, the world's largest privately-owned exporter of small arms, went on strike yesterday to press claims for employment guarantees.

The action by 6,500 shop-floor workers was called when talks broke down over a union demand for a promise that there would be no redundancies this year.

Mr. Michel Vanderstrick, the company's managing director, said yesterday that Fabrique Nationale expected a turnover of $580m this year, compared with $475m last year.

In Brussels, employers and trade unions started talks on a two-year wage contract to restore industrial peace.

Failing agreement by the weekend, the Government is prepared to impose an austerity plan which limits salary increases to the inflation rate, and includes a $400m cut in social security Agencies

Turkey's success in war on heroin

By Metin Munir in Ankara

NARCOTICS POLICE, reinvigorated since the military takeover five months ago, have started seizing heroin at a record rate in Turkey, the main staging post for traffic in the drug from Iran, Afghanistan and Pakistan to consumers in the U.S. and Western Europe.

In the past four months police have seized 88 lbs of this addictive derivative of opium worth $8m on the streets of New York.

"This is a record amount," said a senior police officer. "We are at last giving them hell."

Until 1971, when opium cultivation was banned under U.S. pressure, Turkey was one of the world's major growers of opium and source of illicit heroin.

According to Mr. Richard Nixon, U.S. President at the time, 80 per cent of the heroin entering the U.S. illicitly every year originated from the small opium fields of Central Turkey.

Expensive

Three years later, cultivation of opium was resumed when the Turkish Government yielded to pressure from the impoverished opium farmers. However, the traditional method of extracting crude opium from the poppy pods by the farmer was abandoned.

Growers, instead, were required to turn in the complete dried seed capsule to the Government's soil products office.

This effectively finished Turkey as a source of narcotics since expensive and sophisticated technique is required to obtain morphine or heroin from the pod and the pod is not useful to smugglers.

"After Turkey stopped, Pakistan, Iran and Afghanistan exploded," said the police officer.

In the 1978-79 farming season, 1,600 metric tonnes of opium was harvested in these three countries. This means 160 tonnes of heroin.

According to the police, addicts require 3-4 tonnes a year in the U.S. and a similar amount in Western Europe.

Gangsters in Istanbul with well-established connections in Europe and the U.S. took advantage of Turkey's situation as a land bridge between Asia and Europe. With home grown supplies severely reduced, they started regulating the westward flow of heroin.

Turkey's 270-mile border with Iran is remote and mountainous.

"This has been an open border for thousands of years, and a region where smuggling is an honoured profession," said the police officer. "You need a man every 50 yards to control it effectively."

Opium coming from the East was processed in eastern Turkey in provinces such as Diyarbakir, Elazig and Van. It was taken to Istanbul by car and thence to West Germany for distribution in Western Europe and to Italy and Sicily for shipment to the U.S.

"They try anything, said the police officer." If they think you are watching cars, they use lorries. If they think you are cracking down on lorries they use ships."

Effective

Over-production in Iran, Pakistan and Afghanistan, where there is little or no control, produced an abundance of opium.

"In the old days, when you seized 10 kilos of heroin, a gang would go broke," he said. "Now, they can always go to the well for more."

This situation began to change when General Kenan Evren, the Turkish Chief of Staff, seized power last September. Turkey was in chaos, with political terror beginning to erupt into civil war and the police force politicised and impotent.

Now, the army seems to have re-established law and order and the police force has regained its effectiveness.

Although the Ankara Government claims there is no addiction in Turkey, it has a strong interest in stopping the heroin trade. There are strong grounds to believe that the gangs are using money from narcotics trafficking to supply terrorists with weapons.

Another indication of police success is the fact that many of the heroin laboratories in remote eastern parts of the country have shut and moved to Western Iran.

The police are now seizing more concentrated heroin than morphine base or opium, confirming that heroin processing in Turkey is diminishing.

Trafficking also seems to have begun to shift from Turkey to Syria and Lebanon.

The U.S. with one of the world's worst drug addiction problems, is giving Turkey $500,000 this year in training and equipment to reinforce it in its combat with the Turkish "Mafia."

But drug peddling remains extremely difficult to fight because of the huge profits involved. A kilo of heroin which costs $7,000 in Istanbul is worth $70,000 in London

Bonn urged to pull D-mark out of EMS

BY STEWART FLEMING IN FRANKFURT

WEST GERMANY should temporarily withdraw the Deutsche Mark from the European monetary system, the influential West German Institute for Economic Research, DIW, urged yesterday. This would allow the Bundesbank to reduce interest rates it claimed.

Despite the apparent risks, the institute argued, the central bank should abandon its failed policy of attempting to maintain the value of the Mark on foreign exchanges by keeping interest rates high.

At the same time, however, the Bundesbank yesterday underlined its shift towards tighter credit by reminding banks of limitations on their freedom to borrow Lombard credit from the central bank.

In the week to February 7, the bank's foreign exchange reserves fell by DM1.8bn to DM 61.3bn, reflecting in part the costs of its interventions to support the Mark.

Suggestions similar to the DIW's were made last autumn on the grounds that the policy of keeping interest rates high in order to defend the Mark threatened to push the economy into a deeper downturn.

The institute also argues that the Bundesbank's policy has not succeeded in reducing the risk of importing inflation but has increased the danger of higher unemployment and recession. The risk is also increased of a political over-reaction to try to halt the economic downturn.

The DIW analysis follows a clear change in Bundesbank policy in the past week as a result of which the central bank has moved to tighten its monetary policy and push interest rates even higher in order to try and halt the recent slide in the value of the Mark.

Even bankers and economists who agree with the overall shift in policy, however, are expressing reservations about how it has been carried out. Thus Dr. Helmut Geiger, president of the powerful West German Savings Banks Association argued yesterday that rather than discreetly putting upward pressure on money market interest rates as it has done, the Bundesbank could have had a greater impact on the foreign exchange markets by clearly increasing its highly visible and symbolically important Lombard interest rate.

It is widely felt that the central banks held off last week from increasing Lombard rate because of potential political repercussions.

But this, it is argued, could well prove to be short-sighted since unless there is a significant improvement in the performance of the Mark on the foreign exchanges, the central bank will ultimately be forced to raise its administered interest rates anyway.

Strong plea by Thorn on Europe union

By John Wyles in Luxembourg

IN HIS first major speech as president of the European Commission, M. Gaston Thorn yesterday issued a surprising and politically adventurous appeal for positive progress towards European union over the next four years. His statement of the Commission's priorities and objectives displayed a commitment to European integration rarely heard from any EEC leader in the past 10 years.

M. Thorn's approach will not surprise member governments but he risks dismissal in several EEC capitals as an impractical idealist unable to accept a Community in which sovereign governments retain the last word.

Parliamentary leaders were taken aback by his outspoken pessimism about the Community's economic and political state and his obvious fears of its disintegration.

He said the Community should consider abolishing its strict limits on spending. "The Community is like an enterprise on the brink of bankruptcy," he said. "We must be prepared to pay the necessary price."

Centre party leaders, however, delighted by the president's determination to put European union on the political agenda and by his unambiguous appeal for a new partnership between the Commission and Parliament to achieve it.

M. Thorn's aim of European union is not quite the same as the idea recently endorsed by two of the EEC's Foreign Ministers. West Germany's Hans Dietrich Genscher and Italy's Emilio Colombo. Their recipe for maintaining the Community's fragile cohesion is a treaty to remind the Ten that commitment to each other and the need for closer co-operation. M. Thorn, however, means genuine political and economic integration.

Priority for financial sector in EEC plans

BY WALTER ELLIS IN LUXEMBOURG

EEC LEGISLATION in the banking and insurance sectors is to be speeded up this year as one of the priorities of the new European Commission under M. Gaston Thorn.

This was revealed in an outline programme prepared as a supplement to the presentation by M. Thorn of his plans for this year, made yesterday to the European Parliament.

A draft Community directive on the co-ordination of laws, regulations and administrative provisions covering the annual accounts of banks and other financial institutions is almost ready for presentation to national governments.

The directive is designed further to harmonise the presentation of the accounts of credit institutions in Europe. It could be followed by proposals for the harmonisation of conditions governing the winding up of such institutions and for a deposit insurance system in the 10 member states.

On the insurance front, the Commission is to press the Council of Ministers to adopt six draft directives prepared last year by its predecessor, led by Mr. Roy Jenkins, the former President of the Commission. These cover civil liability in respect of motor vehicles, tourist assistance agreements, health insurance schemes for non-German community companies in the Federal Republic, non-life insurance negotiations with Switzerland, insurance contracts and legal expenses insurance.

The Commission's programme says that priority will also be given to draft legislation now before the Council on the control of company mergers within the community and on the increased application of EEC competition rules to air and marine transport.

Many of the proposals dealt with in M. Thorn's outline programme are not new, but one tentative suggestion is made for the first time in the section dealing with energy. The Commission, it says, "intends to pursue in 1981 the possible use of interest rebates and guarantees on Community loans in order to ensure that necessary investments are made and in order to encourage national efforts."

The problems of industrial development are also going to dominate much of the Commission's thinking this year. It wants to remove administrative obstacles holding up the expansion of sectors with real potential for growth. Accordingly, it will seek to promote training in new products and services — particularly in telecommunications—and will propose providing risk capital for small, efficient companies in the high technology sector.

● The European Parliament has called for a reduction in the number of abortions performed each year throughout the EEC. It asked the European Commission yesterday to set up a programme to this effect, despite a protest from Mr Ivor Richard, the Social Affairs Commissioner, that this was a matter outside Community competence.

A highly vocal minority of MEPs—led by the 15 Irish members—was resolutely opposed to the very principle of abortion. But by 173 votes to 101, the Parliament agreed that a woman had the right to end a pregnancy "as a last resort."

Fears over role of steel pressure-group

BY GILES MERRITT IN BRUSSELS

A MOVE to set up an organisation representing private steelmakers in the EEC could set off a chain reaction destabilising delicate relationships between the steel industry and member governments.

The attempt to launch a Brussels-based pressure group named the European Independent Steel Producers' Association (EURISPA), being mounted by a nucleous of half-a-dozen smaller steel companies, adds a confusng lieement to uncertainties surrounding the future of steel in the European Community.

The aim of EURISPA is to obtain financial help from EEC governments to back an extensive 18-month restructuring programme for independent steelmakers. It would also give Europe's 300 smaller steelmakers a powerful, unified voice in the debate over the aids and subsidies accorded to the EEC's 50 major producers, many of them State-owned, and many of them competing "unfairly" with the independents in the "overlap areas" where public and private sectors produce the same steel products.

EURISPA has only 20 membership commitments and pladges but it is a phenomenon that could develop into an important force in the battered European steel industry.

Those who believe the future of steel in the EEC depends on the mini-mill and sophisticated speciality steels technology, which the independents are involved in welcome the group. They feel that the huge State-subsidised producers of less advanced long and flat products, which are losing ground to Third World competitors, should not be allowed to push the independents to the

The stand being taken by West Germany's Korf, Belgium's Boel and the toughly independent Canadian-owned Sheerness Steel—the three ringleaders of EURISPA—underlines the unresolved questions facing the EEC steel industry. The attitudes that the European Commission in Brussels and the member governments of the Tén will adopt towards EURISPA are likely to be directly determined by the policies it must decide soon on the steel muddle.

There are two major issues concerning steel to be tackled during the next two or three months. The first is the future of the present nine-month EEC compulsory steel production quotas regime

> The steel crisis has reached such a pitch that fundamental questions of national sovereignty now need to be answered.

As overlord of the steel regime the Brussels Commission has managed to firm prices in the wake of last year's steel price war by cutting back output. But this is no more than a holding operation in an industry where use of all available capacit yhas sunk from 70 per cent a year ago to barely 55 per cent and must be replaced by July 1 unless there is to be fresh market chaos.

The proble mof maintaining the steel regime, either by renewing it or arranging an equally effective voluntary pact, leads directly into the second major issue of steel aids. With demand low, prices shaky and overcapacity stubbornly high there is increasing pressure from some EEC steel producing countries for a shake-out of the national subsidies keeping many large European producers going.

The steel crisis has reached the point where fundamental questions concerning national sovereignty vis à vis free competition in the EEC's Common Market require answers.

These include the question of whether West Germany's more streamlined Thyssen or Krupp steelmakers should be unfairly handicapped in the marketplace by the help being given to the British Steel Corporation or Italsider to name only two. In the past year BSC has more than fulfilled EEC targets on restructuring, and few people would suggest that Britain should abandon a strategic national industry such as steel in the interests of the Rome Treaty's strictures on competition.

However these issues are so politically sensitive that the European Commission carefully avoids preparing statistics which would give a clear print-out of national steel industry subsidies.

Commission officials claim this would be like adding apples and oranges, because of the variety of aid techniques ranging from cash injections to lower tax or energy costs to equity participations. But some Brussels-based steel experts believe such a fruit cocktail would be enlightening and clear the way for a constructive examination of the EEC steel industry's future.

Social Democrat bid to heal party wounds

BY JONATHAN CARR IN BONN

THE LEADERSHIP of West Germany's Social Democrat party (SPD) has made a new attempt to bridge internal divisions which seriously threaten the stability of Chancellor Helmut Schmidt's coalition government.

Herr Willy Brandt, the party's chairman, last night put before the national executive committee a five-point programme on issues like atomic power and weapons exports where party members are sharply at odds.

The object is to try to give a clear policy orientation after a period of growing unrest when the party has often seemed to be speaking with contradictory voices on key matters of domestic and foreign affairs.

While Herr Brandt himself has dismissed talk of a possible formal split, other party leaders are known to fear it might come to that unless firm action is taken now to stop the rot.

A further deterioration would also alienate the Liberal Free Democrat party, which at present does not want to forsake its Social Democrat coalition partner, but could find itself with little choice.

Herr Hans Dietrich Genscher, the Free Democrats leader and the Foreign Minister, is especially worried by the repeated criticisms of NATO and Bonn's defence decisions coming from a strong minority of SPD parliamentarians. He fears this could be misinterpreted easily by Washington as a sign that the Government itself may change its security policy.

Part of the cause of Social Democrat dissatisfaction is that the Free Democrats, much the smaller party, seemed to gain much the best of coalition policy talks which followed the general election victory last October.

Many Social Democrats also feel that Herr Schmidt has been trying to govern over the head of the party instead of informing and consulting it. Further, economic problems are forcing the party to forsake domestic reform plans.

These difficulties have been made worse by a national leadership whose members increasingly frequently have contradicted one another publicly, and by troubles in the provinces, for example in West Berlin, where the SPD governing mayor recently had to resign.

French Minister joins row over immigrants

By David White in Paris

THE FRENCH Government yesterday joined in the controversy over the Communist party's attitude to the immigrant population by threatening legal action against Communist local authorities.

Ironically, the threat came from M. Lionel Stoleru, the junior minister who has been the main target of left-wing criticism over schemes for repatriating foreign workers and clamping down on their work permits.

Accusing the Communists of kindling "the spirit of apartheid" in France, M. Stoleru said he would use legal means to overrule moves such as a quota recently imposed by a Communist borough on the number of foreigners' children who could take part in a summer camp.

Zimbabwe unveils £2.6bn plan for development

BY OUR SALISBURY CORRESPONDENT

ZIMBABWE yesterday unveiled a Z$3.9bn (£2.6bn) three-year transitional development plan, due to come on stream in the middle of this year.

A plan outline has been published as part of the documentation for next month's Zimbabwe Conference on Reconstruction and Development (ZIMCORD). At the conference, Zimbabwe will be asking aid donors to pledge Z$1.2bn (£800m) primarily for land settlement and rural development programmes over the next three years.

The total foreign capital requirement for the programme is put at Z$2.3bn (£1.5bn).

The Government hopes that about 20 per cent of this total foreign capital requirement will come into the country on private sector account.

The conference document shows donor commitments for refugee and reconstruction programmes at only Z$71m (£47m) but there is no statement of all donor pledges.

Dr. Bernard Chidzero, Minister of Economic Planning, said that 73 countries, financial and development agencies and the UN, had been invited to the donor conference from March 23 to 27.

"Zimbabwe needs a short, sharp and massive injection of foreign aid as a matter of urgency," the Minister said.

"Failure by the donors to come forward with finance could create dissatisfaction and pose security problems." Dr. Chidzero described the plan to spend more than £500m on land settlement schemes and rural development as "an issue at the heart of our people."

"Failure by the international community to act on that question would be failure of the conference itself," he declared.

Nkomo demotion blamed for national army split

BY OUR SALISBURY CORRESPONDENT

BLACK politicians in Zimbabwe are blaming the demotion of Mr. Joshua Nkomo within the Coalition Government for inter-factional violence which has broken out within the National Army.

Mr. Nkomo is believed to be under increasing pressure from the younger militant and more radical members of his Patriotic Front (ZAPU), especially those in the ZIPRA military wing of the party, to pull out of the Coalition Government established by Mr. Robert Mugabe, the Prime Minister, in March.

The country's largest daily newspaper, The Herald, reported that soldiers from the Connemara Barracks in the Zimbabwean Midlands, said the fighting between Mr. Mugabe's former ZANLA forces and the ZIPRA men loyal to Mr. Nkomo, Minister without Portfolio, and junior partner in the Coalition, was due to increased tension between the groups following Mr. Nkomo's demotion from the Home Affairs Ministry.

Ten former ZANLA guerrillas were killed by ZIPRA men in the fighting in Bulawayo on Tuesday night.

Quentin Peel reports from the Namibia-Angola border on South Africa's escalating guerrilla war

Defence Force in hot pursuit of SWAPO

A LARGE map of neighbouring south-eastern Angola, liberally decorated with red stickers, is prominently displayed in the officers' mess at Rundu, the South African Military Headquarters for the Kavango region in northern Namibia (South West Africa). Under the stickers there are figures to show the estimated troop strengths of forces belonging to the Marxist Government of Angola—and of those belonging to the UNITA guerrillas whose struggle against the Angolan Government relies upon South African support.

The map aroused considerable interest in a party of foreign journalists who visited the South African "operational area" on the Namibia-Angola border last week. But it was airily dismissed by the colonel in charge. "That's nothing to do with me," he said. "It's an air force map."

Whatever the denials, there is no question about South Africa's growing military involvement in Angola, not only supporting UNITA guerrillas there but also intervening directly to gain the upper hand in a long drawn out war of South Africa's own against the guerrillas of the South West Africa People's Organisation (SWAPO), who infiltrate into northern Namibia from bases in Angola.

In the wake of the failure of last month's UN conference in Geneva to achieve a settlement in the disputed Namibian territory, South Africa's involvement is likely to increase. Just as SWAPO and its African backers have promised to intensify the armed struggle against South African rule in Namibia, so the South African Defence Force (SADF) is equally determined to prevent it, and to win a breathing space to build up in Namibia a credible political alternative to SWAPO.

The war in Namibia has built up steadily in the past five years, although it was launched back in 1966 by Mr. Sam Nujoma, the president of SWAPO.

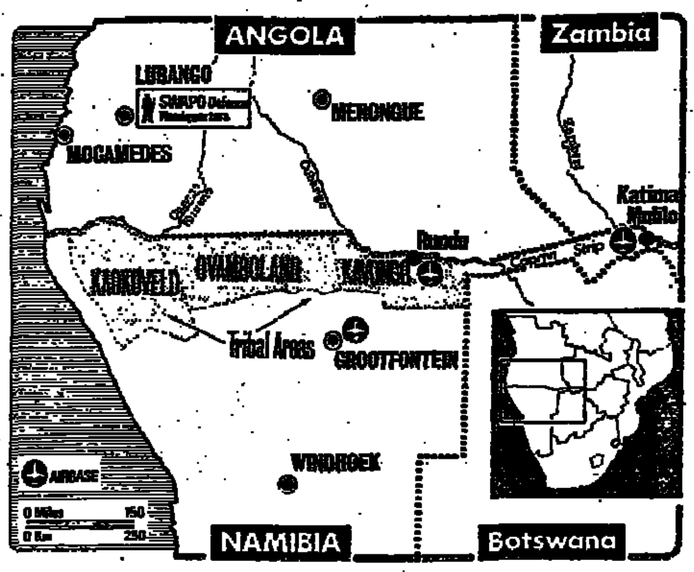
It has continued sporadically, with occasional ambushes, land mine explosions and mortar attacks on military bases. Hitherto it has followed the classic pattern of guerrilla operations, like the war in Zimbabwe, steadily involving more and more South African troops without any obvious prospect of victory for either side.

Indeed, the South African Defence Force itself does not appear to be considering any very early solution to the dispute. While military commanders admit that a political solution is needed, they are not very optimistic about achieving one. They have very strong doubts on the practicability of the UN plan for a ceasefire—particularly the proposed demilitarised zone along the border.

"We can win this war," said Colonel Leon Martins, commander of the Kavango section of the border. "But if you allow the terrorists to come into your area, it would take 30 to 80 years. If you knock him out where he is—that is Angola—it will take ten to 15 years."

The military task facing South Africa is considerable. The border between Namibia and Angola stretches almost 1,000 miles from the Atlantic coast to the Zambezi, though virtually all guerrilla activity occurs across the 285 miles "cut line" which marks the border of Ovamboland, between the Cunene and Kavango rivers.

Although Namibia as a whole is very sparsely populated — barely 1m people in more than 320,000 square miles — about 60 per cent of the population live within 30 miles of the northern border. More than half the battle, therefore, is not for military advantage, but for the loyalty of the local people.



Namibia's mineral wealth is located in areas well to the south of the conflict, but much of the labour for the diamond and uranium mines is recruited from Ovamboland.

South Africa's strategy operates on two fronts, both of them at the same time military and political, and both short- and long-term. The immediate aim is to contain and defeat SWAPO on the ground, through a combination of hot pursuit and pre-emptive strikes on guerrilla bases in Angola. Meanwhile, the Defence Force is involved in an extensive programme of "civic action," a campaign directed at the border population.

In the long term, the military aim is to create an indigenous army which can gradually replace the South African troops, while also building up political opposition to SWAPO to undermine its claim to be the "sole authentic representative" of the people of Namibia.

Objective assessments of South Africa's military success, as well as any detailed analysis of its tactics, are hard to come by Major-General Charles Lloyd, the South African commander in Windhoek, is giving no secrets away at military briefings. Asked to explain the switch in emphasis from hot pursuit to pre-emptive strikes, he would only say: "Our object is to break the military force of SWAPO, and to break its will to fight."

The South Africans repeatedly deny giving active support and assistance to the anti-government UNITA guerillas in Angola, but no one believes them. In a briefing at Rundu, on the banks of the Kavango river-border, Colonel Martins maintained that his only information about Angola came from refugees, and his only contact with UNITA was with individuals crossing the river to beg for food. But he admitted the existence of 32 Battalion, the so-called "Buffalo Battalion," which deserters have accused of operating almost all the time inside Angola, effectively in support of UNITA.

The Buffalo Battalion is based in the remote Western Caprivi—the only other inhabitants are Bushmen in what is otherwise a game reserve—and considerable secrecy surrounds its exact location and operations. A senior staff officer in Windhoek confirmed that its black troops were recruited from "Angolan refugees," and its officers were "European and South African." He also confirmed that they specialised in cross-border operations. That would seem to tally with the deserters' stories that it consists of Portuguese-speaking black Angolans, with mercenary officers.

There is little doubt that the combination of UNITA and South African operations in southern Angola has caused havoc in the area, and prevented the Angolan Government in Luanda from setting up any effective civilian administration. General Lloyd also claimed that his strikes had "crippled" SWAPO, inflicting nearly 1,500 casualties in 1980, against 72 South African dead.

But the South Africans still estimate SWAPO's military strength at between 7,000 and 8,000, which suggests that the movement is still recruiting fast enough to replace its losses, though the South Africans also maintain that the quality of training is less good.

The success of South Africa's "hearts-and minds" campaign on the border is more questionable. The only areas visited last week were the Kavango and the Caprivi strip, where the last serious military action was a mortar attack on Katima Mulilo in August, 1978, in which 10 South African soldiers were killed. The subsequent lack of action is a reflection both of SWAPO's lack of support among Caprivians and the people of Kavango, and of the success of the Civic Action programme, according to the military.

The programme involved supplying soldiers as technicians into the tribal villages, whether as doctors, agricultural advisers, teachers or mechanics, to build roads and schools and provide transport. However, the help is rejected at some mission stations—those of the dominant Ovambo-Kavango Lutheran Church—because it is seen as identifying them with the South African forces.

But the real war is in Ovamboland, where almost half the population of Namibia lives, and which supplies the great majority of SWAPO's recruits. There, the Civic Action programme is definitely struggling. "If you don't start the campaign at the beginning of a combat period, it doesn't have much value afterwards," Colonel Martins said. "In Ovamboland, I'm not sure it does much good, because of the large number of SWAPO infiltrators there."

General Lloyd insists that his troops should be seen as a peacekeeping force, and not an army of occupation. Missionaries in Ovamboland say they are generally regarded as the latter. "Every day the Defence Force stays, it creates more support for SWAPO," according to one churchman.

South Africa has meantime pressed ahead with its programme of setting up a "South West Africa Territory Force" consisting of indigenous battalions — effectively ethnic battalions from each tribal area. There are now battalions in the Eastern Caprivi, a bushman battalion in Western Caprivi and another further south in Bushmanland, the 32 Battalion, a Kavango battalion at Rundu, an Ovambo Battalion, one in the Kaokoveld, and an ethnically mixed Battalion in Windhoek. But their officers are all South African (or Rhodesian), and admit that it will take a long time to build up a Namibian Officer Corps.

Zambia to reopen IMF talks

BY CHRIS SHERWELL AND MICHAEL HOLMAN IN LUSAKA

ZAMBIA is about to reopen negotiations with the International Monetary Fund (IMF) on a three-year economic programme believed to be worth at least SDR 500m (about £250m).

A team from Washington is due in Lusaka shortly. Zambia concluded a two-year SDR 250m programme in April 1980, and talks began later in the year on further assistance.

President Kenneth Kaunda told the Financial Times yesterday that Zambia was "in a hurry" to conclude the talks. He described his country's economic situation as "very, very serious indeed," and said an agreement with the IMF would help reduce the country's arrears in external payments, covering imports and remittances of profits and dividends.

These arrears at present stand at over Kwacha 500m (£250m), and have accumulated over the past 20 months.

President Kaunda declined to disclose the size of the package he is seeking, but Western diplomats believe it will be at least SDR 500m.

An IMF agreement would ease the critical foreign exchange shortage caused by rising fuel costs, expensive maize imports and depressed world copper and cobalt prices. These two minerals provide over 95 per cent of Zambia's export earnings.

One IMF demand will be for substantial cuts in consumer price subsidies. Presenting Zambia's Budget last month, Mr. Kebby Musokotwane, the Finance Minister, said the Government's policy was to make consumers pay the full price of commodities. The price of staple items like maize meal has already risen.

President Kaunda said yesterday that Zambians were tightening their belts. "We've increased prices of subsidised items. It is sad, but we have no choice." As a result, he did not expect any hitches with the IMF on this issue. But it is known that the fund will want a wide range of structural reforms.

The President acknowledged the apparent "intractability" of the ruling party's dispute with 17 trade unionists expelled last month from party membership.

He believed that responsibility lay with the labour leaders to resolve the dispute, which led to an eightday strike on the country's Copperbelt last month.

Amman scraps pact with Damascus

BY IHSAN HIJAZI IN BEIRUT

THE JORDANIAN Government, in the worsening relations with Syria, has unilaterally abrogated a six-year economic and customs co-ordination agreement with its neighbour, which has prompted a strong retort from the Syrian Government.

The agreement, concluded at the time of a honeymoon in Syrian-Jordanian relations, had provided for wider economic and trade exchanges and allowing citizens of both countries to travel freely across the border with the use of identity cards only.

Under sanctions adopted by the Jordanian authorities, Syrians now require valid passports to enter Jordan. A large number of Syrians were said to have been deported from Jordan during the past two days.

In its strongly-worded statement, the Syrian Government said that the regime of King Hussein would be held responsible for any break in relations between the two Arab neighbours. Henceforth there would be no truce or compromise with the Government in Amman, it declared.

The statement was issued after the Syrian Cabinet discussed the new Jordanian measures.

Relations between Syria and Jordan have been brought to breaking point by the abduction in Beirut on Friday of Mr. Hisham Al-Meheisen, the Jordanian Chargé d'Affaires. The fate of the Jordanian diplomat is still unknown.

Damascus has in the past accused Jordan of harbouring members of Syria's outlawed Moslem Brotherhood organisation who have been active against the régime of President Hafez Assad.

AP adds from Beirut: Israeli gunboats attacked Palestinian strongholds along the Southern Lebanese coast early yesterday, but there were no immediate reports of casualties.

The Tel Aviv command said terrorist targets were hit between the Israeli-Lebanese border and Sidon, 30 miles north of the frontier.

Afghanistan mediator chosen

By David Dodwell in New Delhi

DR. KURT WALDHEIM, Secretary-General of the United Nations, yesterday appointed a special representative to mediate with the governments most directly involved with the vexed issue of Afghanistan.

The appointment, over which Dr. Waldheim has dragged his feet for three months, is a small but significant step towards talks aimed at winning withdrawal of Soviet troops from Afghanistan.

Dr. Waldheim chose at the very last minute to announce to Foreign Ministers attending a ceremony in New Delhi commemorating the 20th anniversary of the non-aligned movement that Mr. Javier Perez Do Cuellar, Under-Secretary-General for special political affairs at the UN, was to be his special representative in seeking a "fair political solution" to the conflict in Afghanistan.

Mr. Do Cuellar's first task will be to visit the capitals of the countries concerned, including Moscow, to find out if the basis exists for talks to be convened.

Mr. Do Cuellar's appointment was made possible by talks throughout yesterday morning between Dr. Waldheim and the governments most closely involved with the Afghan conflict.

Dr. Waldheim said any solution "must ensure that the Afghan people will be able to determine their own destiny, free from foreign interference and intervention."

Australia offers annual pay rises 'with strings'

BY COLIN CHAPMAN IN SYDNEY

THE AUSTRALIAN Government moved yesterday to try and salvage its arbitration system of wage fixing by offering annual pay rises linked to inflation. But it attached strings to the offer which the unions are unlikely to accept.

Government officials, proposing the new system at a Melbourne inquiry, said that under the scheme, all Australian workers would get an automatic wage increase of 80 per cent of the rise in the cost of living in the two quarters ending each December and May.

Only if the arbitration commission was convinced there were "exceptional and compelling circumstances" not to provide the increase, would it be withheld.

A public arbitration commission hearing would then be held which would take into account the consumer price index in the June and September quarters, plus the 20 per cent held over from the previous half year. The size of the wage rise laid down by the commission would, said the Government, be open to argument on economic factors.

These would include discounting for price movements flowing from Government policy decisions such as tax cuts.

Government lawyers told the hearing that the new package would only work if there were no claims or industrial action outside the indexation system.

Food shortage talks

THE three-day meeting of Commonwealth ministers of agriculture, food and rural development has begun in Dacca with a call to explore how member countries can help each other more and collectively move the world towards "enlightened decisions" to eradicate hunger.

More than 20 delegations led by their ministers will discuss global and national food shortages and the need for adequate investment to increase agricultural production and rural development and reduce poverty.

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AMERICAN NEWS

WORLD TRADE NEWS

New Las Vegas hotel fire adds to public safety fears

BY PAUL BETTS IN NEW YORK

FOR THE third time in three months, a hotel fire in the U.S. has claimed human life, highlighting public concern over the safety of tower blocks as well as sharpening criticism of safety standards for buildings throughout the country.

The latest fire broke out late on Tuesday at the Las Vegas Hilton, which with 2,783 rooms is said to be the largest hotel in the U.S. and the second largest in the world. Eight people died and at least 242 were injured.

Fire officials claimed yesterday that the outbreak was of "suspicious origin" and said two men were being questioned. But the tragedy has provoked renewed alarm over the safety of large hotels as it comes less than three months after the fire at the MGM Grand Hotel in Las Vegas in which 84 people died and more than 700 were injured.

In December, a fire at the Westchester Stouffer Inn outside New York City claimed 26 lives including the top management of the Arrow Electronics company who were meeting in the hotel at the time.

In addition there have been four fatal fires at old people's homes in New Jersey since November.

As fire-fighters continued to battle with the Las Vegas blaze, trading in Hilton Hotels shares was delayed on the New York Stock Exchange pending an announcement by the company concerning the size of the loss and the extent of the damage.

Mr. Timothy Applegate, senior vice-president of Hilton Hotels, claimed that insurance cover would not be a problem. "We are very adequately covered."

In the case of the MGM Grand fire, 57 complaints had been filed by January 16 seeking total compensatory damages of more than $275m and punitive damages of about $780m.

MGM Grand Hotels has claimed it had adequate insurance cover. But in an unusual move, the company is reported to be negotiating some $170m in retroactive insurance liability to cover claims resulting from the November fire at its Las Vegas Hotel-Casino.

Although such retroactive insurance is rare, some companies have been known to take out additional cover after a major disaster, like an air crash. They pay a substantially higher premium and some insurance companies are willing to take on the risk, gambling that final settlements will be lower than feared.

The fire at the Hilton is another major blow for Las Vegas as the resort's convention business could be hit in view of the substantial loss in accommodation from the two fires.

MGM has postponed plans to build a casino hotel in Atlantic City, New Jersey, because of the Las Vegas fire. Hilton also had plans to build in Atlantic City but announced recently that it was delaying the project because of uncertainties over the gambling industry in that resort.

Concern has been growing recently over safety standards in U.S. skyscrapers: New York City announced after Christmas that it was considering major changes in fire-safety requirements for apartment buildings, hotels, office blocks and department stores. But New York is already regarded as having the most stringent fire code in the country.

Weinberger defends neutron weapon

By David Buchan in Washington

Mr. Weinberger: allies would be consulted.

MR. CASPAR WEINBERGER, the U.S. Defence Secretary, has returned to his theme that the neutron weapon could help restore the military balance with the Warsaw Pact.

In an interview published by the Washington Post, he stressed this was not an official position of the Reagan Administration and said any decision would be taken in close consultation with America's allies in the North Atlantic Treaty Organisation. The State Department reassured NATO capitals to this effect when Mr. Weinberger first raised the issue earlier this month.

The neutron weapon would be a useful counter to Russian tanks, Mr. Weinberger said, adding: "I believe that is one of the reasons the Russians are reacting so strongly to this slight suggestion."

An indicator of the Administration's intentions on the neutron bomb may come next week when it unveils its proposals for the current year's budget and that of 1981-82. The neutron weapon is still being developed and a production decision would require more money.

Overall, the Administration is reported to want to increase military spending by $7bn in the current year and by $25bn in 1981-82.

Priority for Polish plea

BY OUR WASHINGTON CORRESPONDENT

THE U.S. is considering "on a priority basis" Poland's request for western help to ease its economic plight, officials said here yesterday. Any help from Washington is likely to take the form of rescheduling Poland's payments to its U.S. creditors.

This clarification followed confusion arising from different statements issued by the State Department on Tuesday. The department declared eventually that any use of military force, Polish or Soviet, in the current Polish situation would be "of great concern" to the U.S.

That corrected an earlier statement that the Polish Government would be justified in enforcing its own law with Polish forces. This had seemed to give U.S. sanction to a crackdown by Polish troops, felt by observers to be the first stage of any Soviet intervention.

Reagan names economic panel

BY OUR WASHINGTON CORRESPONDENT

PRESIDENT Ronald Reagan has appointed 12 prominent Republicans to sit on an Economic Policy Advisory Board which will meet occasionally to offer policy advice to his Administration.

The board will be headed by Mr. George Schultz, the former Treasury Secretary, who now heads the Bechtel Corporation. It will also include several figures, such as Mr. Alan Greenspan and Mr. William Simon, who, like Mr. Schultz, served in the Reagan transition team, but who did not want or did not get jobs in the Government.

The board will also provide a forum for Mr. Martin Anderson, the President's domestic policy adviser, who will act as its secretary. Since Mr. Reagan's inauguration Mr. Anderson has been eclipsed in the making of economic policy so far by Mr. David Stockman, the Budget Director.

Other members of the new board include Mr. Arthur Burns, former chairman of the Federal Reserve, and Mr. Milton Friedman and Mr. Arthur Laffer, economists whose conservative and "supply side" theories hold sway in the White House.

China seeks to protect home-grown industries

By Tony Walker in Peking

China is seeking to protect its home-grown automotive and electronics industries by restricting imports.

According to People's Daily the Communist Party newspaper, in a front-page commentary "excessive imports" of motor vehicles are "detrimental to the development of domestic industry as well as a drain on hard-earned foreign exchange."

The newspaper claimed China had imported "upwards of 300,000 motor vehicles since 1949" and that the money paid for them is three or four times total investment in the local auto industry.

The paper gave no figure to back up this extraordinary claim. People's Daily also criticised the large-scale importation of tape recorders, television sets and calculators, saying it was impairing local industry.

According to the article, Chinese industry was performing below capacity because of the imports. Imports of machinery and electrical products must serve to protect and foster this native machine-building industry, the paper says, adding that while it is wrong for China to try to make everything it needs, it is all the more wrong to buy everything from other countries.

Meanwhile the State Council, China's Cabinet, has instructed organisations with unauthorised foreign exchange deposits overseas to draw back the money by March 1 when new foreign exchange control regulations come into force.

The foreign exchange thus transferred should be sold to or deposited in the Bank of China, the notice says, otherwise disciplinary action will be taken.

A number of Chinese enterprises lodge money outside the country because of attractive interest rates and because the money can be used to buy luxury items. China is at present suffering serious foreign exchange shortage.

32.8% rise in Chile's foreign debt

CHILE'S foregn debt grew by 32.8 per cent last year, from $8.463bn (£3.58bn) in 1979 to $11.239bn, according to figures released by the central bank.

This marks the largest annual increase in the country's foreign debt since General Augusto Pinochet's military regime took power in 1973. At that time the Government inherited a general external debt of $4.48bn and renegotiated most of its debts with its European, U.S., and Canadian lenders the following year.

While the private sector is claiming an increasing share of the Chilean external debt, the regime's financial obligations are expected to remain high, as compensation continues to be paid on foreign holdings nationalised by previous governments.

The public sector's share of the debt, which includes Government-guaranteed loans to the private sector, increased by 3.6 per cent, from $4.893bn to $5.68bn last year.

Chile's outstanding obligations to the International Monetary Fund shrank from $513m in 1976 to $123m last year.

Foreign borrowing by Chile's private sector, including export credits from abroad and external financing incurred by the Chilean banking system, nearly doubled in the past year. Total private foreign debt increased from $3.391bn in 1979 to $6.48bn last year.

Chile's trade deficit increased from $873m in 1979 to $1.055bn last year. Sr. Alvaro Bardon, president of the central bank, has predicted that this year's trade deficit will increase to $1.55bn.

Netherlands trade deficit falls slightly

By Charles Batchelor in Amsterdam

THE NETHERLANDS managed a slight reduction in its visible trade deficit in 1980, but the gradual loss of competitiveness in overseas markets was partly reflected in record unemployment levels disclosed in the latest official figures.

The country's trade deficit fell to Fl 6bn (£1.1bn) in 1980 from Fl 7.2bn the year before. Imports rose by 13 per cent to Fl 152.8bn, according to provisional figures from the Central Statistics Office.

The deficit in December also fell, to Fl 1.2bn from Fl 1.6bn in the same month of 1979. Imports were 14 per cent higher at Fl 14.1bn while exports rose 19 per cent to Fl 12.9bn.

In the year as a whole, the Netherlands paid more for imports of oil and oil products, machinery, iron and steel, dairy products, cattle feed, chemicals, aluminium and plastics. The value of car imports fell. The export value of oil products, gas, dairy products, eggs, chemicals and plastics rose.

Unemployment rose by more than 20,000 in January to a new post-war record of 342,800, according to Social Affairs Ministry figures.

S. Africa goods still reaching Iran

BY BERNARD SIMON IN JOHANNESBURG

DETAILS ARE emerging of significant trade links between South Africa and Iran, which have been maintained throughout the U.S. and EEC boycott during the recent hostage crisis.

According to traders and ship operators in Johannesburg and Durban, a wide variety of South African goods is reaching Iran. They include maize, steel, metals, processed foodstuffs and machinery.

The origin of most of the products is disguised by merchants in view of the formal boycott against trade with South Africa imposed by the Revolutionary Government after the overthrow of the Shah.

Nonetheless, a shipping line—known as Sultan Lines—operates an irregular service between South Africa and Iranian ports, with sailings roughly once every two months. Bulk commodities are being shipped on chartered vessels.

Before the Shah's overthrow, Iran was South Africa's largest trading partner in the Middle East and supplied up to 70 per cent of its oil needs. Non-oil trade amounte dto around R80m (£44.6m) in 1978, consisting mainly of foodstuffs, steel and other building and construction materials. Except for the oil traffic, trade was quite open, and the two countries maintained consular relations with each other.

Iran also had a 17.5 per cent shareholding in the Natref oil refinery, near Sasolburg, in partnership with Sasol, the oil-from-coal producer, and the Total oil company of France.

The present Iran Government has apparently been able to maintain its oil boycott against South Africa. It was reported last year that the Iranians had not delivered their share of crude for the Natref refinery, and had, in effect, abandoned their interest in the venture. A Sasol spokesman said yesterday that this remained the position.

South Africa normally refuses to participate in trade boycotts.

Mr. Hennie Nel, general manager of the Maize Board, said yesterday that there "is no restriction on the final destination of maize cargoes bought on tender from the board.

"Presumably, some of our maize is going to the Middle East, but I can't confirm that it is Iran, Iraq or any other country."

According to a grain trader in Johannesburg, the Iranians have been "fairly consistent" buyers of South African maize for some time. There is currently a lull in shipments, but the quantities sold to Iran have been "fairly reasonable."

It is most unlikely that South African exports to Iran are anywhere near their pre-revolution levels. In the heyday of trade between the two countries, no fewer than four shipping lines offered regular sailings.

Indonesia's oil exports decline by 8%

BY RICHARD COWPER IN JAKARTA

INDONESIA'S oil exports slipped nearly 8 per cent last year to 380m barrels, down from 411m barrels in 1979, according to Pertamina, the country's state-owned oil company. It was the third consecutive year that Indonesia petroleum exports declined after reaching a record high of 484m barrels in 1977.

The decline in volume terms, however, was more than made up for by an estimated 45 per cent increase in prices over the year. According to the Bank of Indonesia the financial return from oil exports should be $13bn for 1980, up by $4.4bn over 1979. Official government financial statistics are due to be released later this month.

Japan and the U.S. continued to take the major share of Indonesia's oil. Tokyo remained Indonesia's largest customer in 1980, accounting for 54 per cent of total Indonesian oil exports. Exports to Japan, however, dropped 12 per cent in volume terms to 206m barrels. The U.S. imported 113m barrels last year accounting for just under 30 per cent of total Indonesian exports.

While export volume fell, there was a 12 per cent growth in domestic consumption. However, oil production for domestic and export consumption fell 1.9 per cent last year to 570m barrels from 581m in 1979, according to Pertamina. While the decline in production may be reversed this year following two years of record exploration expenditure, the growth in domestic consumption by this nation of 147m seems likely to make continuing inroads into Indonesia's export surplus.

A likely 10m barrels increase in oil output this year will not cover a projected 15m barrel increase in domestic consumption.

Last year the World Bank warned that Indonesia was certain to face a continuing decline in the amount of oil available for export if it did not take action to moderate the growth in domestic consumption. Flying in the face of this advice the Government, which already subsidises domestic oil sales by over 50 per cent, has announced there will be no domestic oil price increases this year.

U.S. groups may build coal port

BY PAUL BETTS IN NEW YORK

FOUR LARGE U.S. companies with interests in the U.S. coal industry are considering the construction of a coal shipping facility at Newport News, Virginia, to serve both the export and domestic markets at a time when major bottlenecks are continuing to wreak havoc at ports along the country's East coast.

The four companies currently discussing a point venture are: the Armco Steel group, Ashland Coal, which is a subsidiary of Ashland Oil, the leading independent refiner Utah International, and Westmoreland Coal Company.

While the four companies said extensive engineering studies will be required to determine the estimated costs and feasibility of the project, Ashland Coal said the group was actively looking for ways to solve the acute problems at the ports.

These problems are occurring at a time when foreign demand for U.S. coal has increased sharply. In turn this has led to severe bottlenecks at eastern ports with cargo ships waiting several weeks to move in and out of the country's largest coal port at Hampton Roads, Virginia.

Although recently the situation has improved at Hampton Roads, where at one stage at the end of last year some 100 ships were waiting offshore to load coal, coal companies are pressing to expand and modernise existing port facilities.

This is the case with the latest proposal by the four companies to build a coal shipping facility at Newport News, which is in the same area as Hampton Roads at the mouth of Chesapeake Bay.

At the same time, the Massey Coal Company is also planning to build a similar facility nearby.

Ericsson wins more Mideast telephone deals

By William Dullforce in Stockholm

L. M. ERICSSON, the Swedish telecommunications group, said yesterday it had won two important new orders in the Middle East market.

The Telecommunications Administration in Lebanon has signed an $11m (£4.7m) contract for computer-controlled exchanges of Ericsson's AXE type for international telephone traffic and for extensions to exchanges of the crossbar type.

The United Arab Emirates has placed an order worth more than $5m for equipment for centralised computer-controlled operation and maintenance of telephone exchanges.

In December, Ericsson made a $23m breakthrough into the difficult Libyan market by taking an order for local exchange equipment in competition with Siemens, which had previously supplied most new telephone exchanges in Libya.

Reagan officials in Japan car talks

BY DAVID BUCHAN IN WASHINGTON

THE Reagan Administration held its first top-level discussion with Japan on the latter's car exports to the U.S., when Mr. Naohiro Amaya, a Vice-Minister for International Trade, met Mr. William Brock, the U.S. trade representative, here yesterday.

Both countries now seem worried about the issue—Japan, because the new U.S. Administration has given tacit backing to proposed congressional legislation imposing three year import quotas on Japanese cars; and the U.S., out of concern that any trade restrictions by Europe may divert more Japanese cars to the U.S. market.

Mr. Brock's talks with the Japanese Minister followed immediately on those just ended here with a European commission delegation, led by Sir Roy Denman, the chief Brussels trade negotiator.

Sir Roy sought to reassure the U.S. with Japan's own estimate that, due to the yen's appreciation and the sluggish U.S. market, car exports in the first three months of this year would be some 2 per cent below the first quarter level of 1980 (about 460,000 units).

Given that the U.S. market is bigger than the European, this was a larger concession than the EEC was likely to get from Tokyo, Brussels officials pointed out.

For its part, the EEC team voiced its continued concern over the high penetration of the European market, particularly the UK, by U.S. textiles, especially tufted carpets, T-shirts and bed linen. Import quotas on these and other products were lifted only last December, but the EEC warned that if the trend continued, restrictions might be reimposed under the safeguard clause of GATT.

Finland vehicle sales

JAPANESE vehicle makers, Datsun and Toyota, grabbed almost 30 per cent of the Finnish market last year, according to the Car Registration Bureau. Datsun's share of the registered new cars was 15.9 per cent and Toyota's 13.1 per cent, with the Soviet Lada in third place with 8.2 per cent of the new registrations.

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World marine engine output rises marginally

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE SIZE of the world marine engine market increased marginally in 1980, reflecting the slight upturn in world shipbuilding. However, world output of marine engines is still running a third below the peak levels of 1975/76.

According to figures published in the latest issue of The Motorship magazine, the total installed capacity of new marine engines rose from 9.5m brake horse power (bhp) in 1979 to 9.8m bhp last year. A total of 1,146 engines were installed in 946 vessels.

Most engines installed in ships are still of the low-speed variety. However, the latest statistics show that medium- and high-speed diesel engines have increased their share of the market from 30.1 per cent to 33.1 per cent. Low-speed diesels account for 58.5 per cent and steam turbine engines for 8.4 per cent.

The output of medium-speed diesel engines increased by 12.5 per cent to 3.23m bhp in 1980. SEMT Pielstick, part of France's Alsthom - Atlantique group, remains the major medium-speed engine designer, but its market share fell from 40.1 per cent to 33.5 per cent in 1980.

By contrast, West Germany's MAN group nearly doubled its output of medium-speed diesels and its market share jumped from 12.6 per cent to 19.2 per cent.

In the low-speed marine diesel market, output fell by 6.5 per cent to 5.7m bhp. Sulzer Bros., the Swiss engine builder, maintained its share of this sector of the marine diesel market, at 51.1 per cent. But its share of the market is being challenged increasingly by Burmeister and Wain, the Danish builder of low-speed engines, which has 27.1 per cent of the market. According to B and W, it won contracts for more slow-speed diesel engines in the year to June, 1980, than Sulzer Bros., and these orders should lead to a significant change in the relative market shares of the two companies.

Cost-of-living demand is main threat to U.S. labour peace

BY IAN HARGREAVES IN NEW YORK

MR. RONALD REAGAN could yet find relative peace on the U.S. labour front to be an unexpected blessing in his first year of office.

The conventional wisdom on the subject views the present labour climate less optimistically. With coal miners on strike in Arizona, a right-wing President in the White House and two years of declining real incomes fresh in the memory, the industrial relations outlook in the U.S. is seen by some as ripe this year for rumbles of discontent, if not for a full-scale explosion.

But there are several reasons to doubt that labour unrest will be one of the new Administration's real problems in 1981. For a start, it is a relatively light bargaining year. As the table shows, the major deals to be struck are those in mining and railways, apart from the more or less continuous round of bargaining which characterises the more fragmented construction industries. In total, 2.5m workers hold pay contracts due to expire this year, compared with 3.7m last year and 4.2m in 1979.

The miners, who have struck five times since 1966 and settled their contracts three years ago only after a bloody 111-day strike, are first into the fray. The United Mineworkers Union (UMW) is already exchanging words in Washington with the negotiators of the Bituminous Coal Operators Association, against the background of a month-old strike by over 1,000 miners employed by Peabody Coal in the Western United States. The deadline for the talks is March 27.

The crucial issue in the miners' talks, and in the Peabody strike, is "COLA"—short for Cost of Living Allowance.

In the U.S., about 9m employees, or half the country's unionised workforce, have COLAs. The miners are among the other half who would like them, especially after two years of double-digit inflation, with a third certain to follow this year.

The mine-owners are in no mood to agree. Many of the coal companies also make steel and they have seen the effects of COLA in the steel industry. The inflationary impact on its labour costs has been so sharp that steelmakers are seriously considering releasing the United Steelworkers Union from its no-strike pledge for the 1983 contract renegotiations in order to allow themselves the freedom to try to whittle away at COLA.

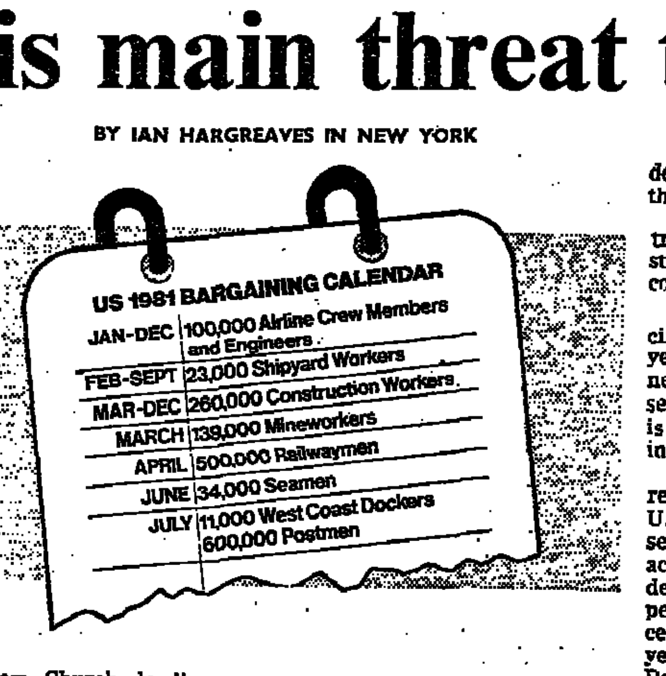
At General Motors, where the United Autoworkers installed the first prototype COLA agreement in 1948, average hourly-rate labour costs in the U.S., including benefits, soared by an astonishing 21 per cent to $18.45 per hour last year.

More generally, economists are worried about extending COLA's institutionalisation of inflationary expectations into the U.S. labour market.

At this point, the miners are still insisting upon a COLA, although a hint that they might relax their position emerged this week when a small group of miners employed by a Gulf Oil subsidiary reached a tentative settlement—again in the Western U.S., which is not covered by the Washington talks — without a COLA element.

The word within the industry is that if the miners will drop COLA the employers will drop their demands for round-the-clock working schedules and a deal could be done, probably raising wages about 35 per cent over three years.

Although mining negotiations are always unpredictable, the fundamentals also suggest that this time there will be no strike.



Mr. Sam Church, leading contract talks as the miners' Union President for the first time, came to power on the back of the 1978 strike and its bitter internal strife—strife which has done as much as anything to weaken the union's grip on the industry. (Only 44 per cent of U.S. coal today is UMW coal, compared with 70 per cent a decade ago). The coal companies, for their part, are still operating at far below maximum capacity and can genuinely plead financial duress.

The railway negotiations may prove to be more difficult in that all transport workers already have a COLA, but one with a ceiling — it ceases delivering cash once annual consumer price inflation exceeds 8 per cent. The CPI increased by 12.5 per cent last year. With the railways in better shape financially than for many years, partly because of their oil and gas interests, the union may decide to push very hard on this issue.

The airline workers, by contrast, are bargaining with a struggling industry, as are the construction workers.

Whatever the immediate circumstances for each of this year's variously positioned negotiations, however, there are several good reasons why 1981 is unlikely to see serious industrial confrontation.

The labour movement, which represents only one quarter of U.S. non-farm hourly employees, seems generally to have accepted that it must endure declining real earnings during a period of very high — 7.4 per cent — unemployment. Last year, according to the U.S. Department of Labour, real average weekly earnings fell by 3.8 per cent. From the unions' point of view, the pill is sweetened slightly by the fact that their members did better than the 8.8 per cent average rise in absolute earnings. The average for collectively bargained increases last year was 9.5 per cent.

Organised labour has also shown itself genuinely sensitive to the problems of employers. Chrysler workers were not the only ones last year to accept either a pay cut or a drastic reduction in previously negotiated pay terms. Employees at Firestone and Uniroyal (tyres), Wheeling Pittsburgh and U.S. Steel (steel) and Armour (food) are among those who have made concessions.

There have also been some important though less spectacular improvements in shopfloor relations in steel, motors and mines, helped in the case of steel by nationally supported moves to set up Japanese-style "quality circles."

This tone of flexibility and reasonableness, however, has its limits and they are likely to be tested this year if, as they have threatened, Ford and General Motors follow Chrysler's example and call in the UAW to explore contract concessions. Ford officials say Chrysler's revised wages bill has cut its costs per car by $200 relative to Ford and that this differential cannot be allowed to stand.

As a quid pro quo, the motor giants are talking about the possibility of profit sharing. The union is also interested in seats on the board, but additional concessions from the company side will have to be meaty to persuade workers that General Motors is in need of charity in advance of formal contract negotiations next summer. However, UAW men at one Ford branch near Detroit proposed yesterday that they give up the remaining increases due to them under the COLA system in the next 18 months, and lend the money to Ford at 8 per cent interest.

So far as Mr. Reagan is concerned, the Administration has no contribution to make to these matters, other than in its overwhelmingly crucial role of curbing inflation. Mr. Carter's Wages and Prices Council and its voluntary restraints are already dead and buried, as are most of the other remnants of industrial tripartism, involving government, industry and labour.

All of this is not to say that Mr. Reagan will not have his contests with labour. Over matters such as safety at work legislation, whose costs and bureaucracy the new President is pledged to contain, the unions are already organising for a struggle. But Mr. Reagan will be well satisfied if conflict with the unions can be confined to these peripheral areas and if 1981 can match 1980's record as the year of least strike activity since 1965.

Murdoch refuses to guarantee future of Times Newspapers

BY JOHN LLOYD, LABOUR CORRESPONDENT

MR. RUPERT MURDOCH, who will know by midnight tonight whether his bid for Times Newspapers has succeeded, told a Commons select committee yesterday that "however important it (The Times) is as a national institution, it is also a business."

Mr. Murdoch also said he would not become a "hostage to any promises" to guarantee a future for Times Newspapers. Commenting on Lord Thomson's pledge, made in 1966, to support the newspapers for 21 years, Mr. Murdoch said: "I think he was taken advantage of."

He emphasised to the Commons select committee on education that ownership of the group was "an extremely risky enterprise," and said that "people seem to think that they are doing me a favour in allowing me to take on something that is losing £13m a year."

He also said he would only take over the group on condition that negotiations with the print unions continued. He told the committee, and repeated after the committee ended, that he would not extend the deadline.

The comittee had called Mr. Murdoch before it to ask him questions on the future of The Times supplements—the Education, Higher Education and Literary Supplements—because they were not fully covered by the guarantees extended to the newspapers.

Mr. Murdoch said that they had lost £1.4m during the past year, and a move of their printing to a provincial plant would assist their return to profitability.

He intends to print them by the Webb offset method, which would improve the quality of printing. He did not rule out printing them at his own printing subsidiary in Worcester. The editorial staff, however, would most likely stay in London.

Mr. Murdoch said he was considering a new supplement, which had been under review by International Thomson, the present owner. It would deal with the health services, and might be published from Oxford.

He said the future of the TES (Scotland) would be under review, as would be the possibility of re-combining the TES and the THES. He suggested, however, that neither possibility was definite.

Asked by Mr. Christopher Price, the committee's chairman, how he would respond to charges that "his word was not worth the paper it was written on," he answered: "It is not true."

Mr. Murdoch said he had promised an Australian parliamentary committee that he would keep senior executives of a television station he had acquired, but had later sacked them.

"But I found practices going on in that company which I was not prepared to tolerate and that no public company could tolerate," he said.

Private sector job losses 'cost £3,400 a person'

BY DAVID MARSH

EVERY PERSON who becomes unemployed in the private sector costs the Exchequer £3,400 a year through lost income tax revenue and increased payment of benefits, the Treasury calculates.

The figures, the Treasury's monthly Economic Progress Report yeserday, take account only of direct cost of unemployment.

When other factors are taken into account such as redundancy fund payments, losses of indirect taxation and the wider economic effects—some estimates put cost to the Exchequer at £5,000 a year for each person

The Progress Report contains a detailed explanation by the Treasury of how the recession has contributed to breaching the Government's borrowing target in the present fiscal year.

It suggests that the expected 4 per cent fall in total output from the fiscal year 1979-80 to 1980-81 may have added £2bn to £4bn or more to the public-sector borrowing requirement this fiscal year.

The Treasury has already admitted that the 1980-81 borrowing target of £8.5bn will be exceeded by more than £3bn. Some estimates put the figure at as much as £13bn.

The Treasury calculates that each additional unemployed person costs £2,050 from loss of income tax and national insurance receipts. Government expenditure is increased by £1,350 in unemployment and social-security benefits, rent and rate rebates and *administrative* costs.

Other recession costs to the Exchequer include higher spending on unemployment relief, larger loans to nationalised industries, earlier deliveries by companies on Government contracts, and lower receipts from company and expenditure taxes.

Thatcher 'misses targets'

FINANCIAL TIMES REPORTER

U.S. CONGRESSMEN, visiting London to discover how Britain is taking Mrs. Thatcher's economic medicine, will carry to Washington the advice that the U.S. should cut budget spending more quickly than the British Government has done.

At a Press conference yesterday to present the conclusions of their four-day visit, Congressman James Jones, the Democratic chairman of the House Budget Committee, said that the delegation had tried to identify aspects of the UK's experiences that might apply to the U.S. economy under President Reagan.

Mrs. Thatcher was bringing down inflation but had missed some of her other economic targets, he said.

The Congressmen believed that the U.S. Government should first make "quick, dramatic cuts" in Government spending and later carry out the tax cuts promised

Mr. Jones and his team spent a total of 70 hours in meetings with trade union officials, bankers, Government and Opposition politicians, industrialists and journalists.

They had not tried to judge the success or failure of UK policies. But Congressman Paul Trible, a Republican, pointed out that government spending and taxation had increased in the UK during the last year as a proportion of gross national product.

Celltech product to cut interferon costs

BY LISA WOOD

CELLTECH, the biotechnology company set up last year with National Enterprise Board backing, yesterday announced its first commercial venture, a product designed to reduce the production costs of the controversial cancer treatment drug interferon.

The new product, anti-interferon, was developed at the Laboratory of Molecular Biology in Cambridge by Dr. David Secher, in collaboration with Professor Derek Burke, of Warwick University.

One of the reasons interferon is very costly is that the laboratory method of extracting it from natural sources is long and complicated. Anti-interferon will simplify that and reduce costs.

Celltech, in which the NEB has a £5m controlling stake, said yesterday that by making an early contribution to the development of interferon, which is being extensively studied, it would be well placed to participate in the commercial rewards should interferon prove to have significant therapeutic applications.

Suite fetches £31,250

SALEROOM

BY PAMELA JUDGE

A 1900 BEDROOM suite created by Louis Majorelle for himself went for $31,250 at the Sotheby Parke Bernet Monaco Art Deco sale in Monte Carlo on Tuesday.

Fifteen lots of furniture made in 1930 by Eugene Printz for the bedroom and dressing-room of Princess de la Tour d'Auvergne made £55,989. An American buyer gave £22,569 for a pendant in gold, aventurine and onyx.

A blue-green ovoid vase by Galle made £16,493 and a cylindrical one in dark green glass with aquatic decorations in relief sold for £14,756.

A sceptre made by Rene Foy for Sarah Bernhardt in her role of Theodora—it has an amethyst cylinder surmounted by a lion's head in glass and decorations of gold, pearls and brilliants—sold for £6,944.

In London yesterday, Sotheby's Belgravia sold English furniture and other items for £52,298.

Kenneth Gooding considers a grave error of judgment was the principal cause of Linwood's failure

Rootes' gamble which could never pay off

BY ALL ACCOUNTS, there was a great celebration after the Duke of Edinburgh formally opened the Linwood plant in May 1963. There has been little to cheer about since then.

With hindsight there are two *main reasons why the project* should never have been considered.

First, it represented a grave error of judgment by the Rootes Group, the family business which started in car distribution in the 1920s and later moved into manufacture by acquiring prestige marques Humber and Hillman.

Linwood, with its capacity to produce about 145,000 cars a year, represented Rootes' gamble that it could join the big-time manufacturers.

It sacrificed its traditional image of quality in an attempt to compete head-on with larger companies in the mass market.

The Rootes operations remained too small for it to be able to price competitively. Neither could it generate the surplus *cash needed* to meet the demands of research and development and new models.

Sometimes gambles pay off. However, Rootes compounded the problems it faced by allowing itself to be pushed away from its Midlands base, where *most of its suppliers* were located, to Scotland.

The company had some land at Dunstable, Beds., earmarked *for* development, but was coerced by the Conservative Government then to set up on Clydeside. The Government wanted to demonstrate the viability of its regional development policies.

It was about the same time that for the same reason Ford was steered towards Halewood, and Vauxhall to Ellesmere Port.

Rootes never attempted to conceal that it was "*forced*" to set up at Linwood against its better judgment.

Linwood was established to produce a new, small car: the rear-engined Hillman Imp which was Rootes' competitor to the BMC Mini.

Rootes completely misread the market. Whereas the Mini was a classless, utility car, the Imp developed no particular *character except it seemed to* say about the driver: "This is the best I can afford"—not a good image for a car to have.

Rootes was still confident enough in 1966 to buy the Pressed Steel Fisher body stamping plant across the road from the assembly facilities and the 800-acre Linwood site almost became an integrated car manufacturing plant. The only thing missing was engine production.

The unions complained last night that the Imp was the only new car *Linwood* ever had to manufacture.

That is not quite the case, but after the Imp derivatives were introduced, the next car was the Hunter, imported in 1970 from the Coventry plant where it was in production.

In 1976, Imp and Hunter output was ended. Linwood was given the Avenger to make—a car produced at Coventry for the previous six years.

The Sunbeam, introduced to be made alongside Avenger in 1977, was a new car. Now the two models—Avenger and Sunbeam—are to die with Linwood

Without attractive new models which would sell in volume, Linwood was bound to lose money. As Mr. George Turnbull, Talbot UK's managing director, said last night: "We are a volume business. Everyone in the motor industry relies on volume to make their business profitable."

Inevitably Rootes was dragged down by the Linwood losses. It sought a way out by linking with the U.S. group Chrysler which bought a minority *interest in 1964* and raised it to over 50 per cent three years later.

By 1969 Rootes was ready to go under. The choice, given the jobs involved, seemed to be either nationalisation or the Government to allow Chrysler to take full control. The latter was chosen.

It was obvious that Rootes stood a much better chance of *becoming a* profitable business again as part of Chrysler's multinational operations. The U.S. group had gone "shopping" in Europe and acquired Simca in France and the Barreiros business in Spain.

Between 1969 and 1975, however, when Chrysler ran into financial problems and had to turn to the UK Government for support for its British operations, there was no attempt to integrate even the French and British offshoots to get economies of scale in production or technology.

Chrysler's difficulties at home forced it to sell its European businesses to Peugeot-Citroen in 1978. The following year the name Talbot was substituted for Chrysler.

Throughout its entire existence, Linwood has been constantly under the threat of closure. These uncertainties produced an ambivalent attitude among the workforce.

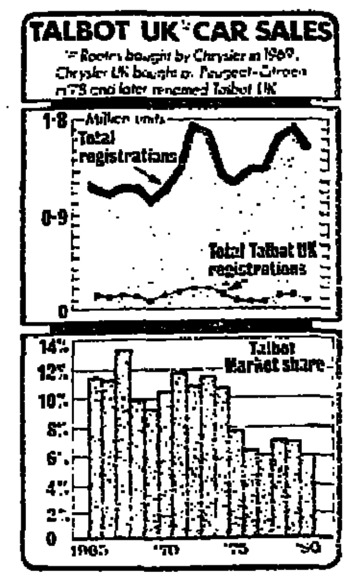
Many employees really believed the plant had no future and this contributed to the bloody-mindedness which characterised labour relations at Linwood.

Linwood became a byword for industrial unrest. The management, more outspoken than usual during one dispute, maintained the plant was afflicted with deliberate breaches of procedure, restrictive practices, widespread absenteeism and lateness, unofficial stoppages and lack of flexibility.

It is not surprising that labour relations problems were blamed for Linwood's failure rather than being identified as only a symptom of the underlying problem—that on the day it was set up the plant never had a reasonable future or chance of success.

Talbot UK yesterday put that right. It stressed that the plant was being closed because "production through-put has been inadequate to cover all the costs associated with a complex car manufacturing operation.

"The workforce at Linwood have responded very well to the need to improve productivity and the company is in no way blaming them or their trade unions for the decision to close the plant."



Linwood closure hits area of many jobless

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

TWO FIGURES succinctly sum up the position facing the workers who will lose their jobs at Talbot's Linwood plant, Scotland. There are 11,148 men and women out of work in the Paisley travel-to-work area, and just 335 jobs available.

One person in three out of work in the area has been without a job for at least a year. This figure is rising. Two years ago the percentage was about 28.

"*There is nothing available* locally and very little nationally," one Department of Employment official said yesterday. "Redundancies are being notified to us weekly. We knew there would be redundancies at Linwood but we never *imagined it would* be as bad as this."

Peugeot's Linwood plant lies six miles west of Glasgow, not far from the airport and the Erskine Bridge across the Clyde. Unemployment in the area, at 11.7 per cent, is not all that bad compared with 15.1 per cent for the Strathclyde region, as a whole, but there has been an increasing number of lay-offs recently.

Since October, 985 redundancies have been notified in Paisley's manufacturing industry, and 408 in service industries. This takes no account of short-time working, which affects most manufacturing companies.

Among companies hit are J. and P. Coats, the sewing-thread manufacturer; CPC (UK), better known perhaps under its previous name of Brown and Polson; and Chivas, the whisky company. Others affected are Ciba Geigy; Rawlplug; and Proctor and Schwartz, which produces machinery.

The biggest firm to reduce its work force, though, has been Peugeot itself. The labour force at Linwood has fallen from about 9,000 to 4,500 in the past 18 months.

Surprisingly, this has not had very serious consequences for other companies in the area. Linwood has always taken most of its components from suppliers elsewhere in Britain, particularly the West Midlands. There are relatively few component suppliers in the Clyde valley.

Sheet steel is another matter. Linwood has been supplied by British Steel Corporation's nearby Ravenscraig works, but because of the drop in car output takes only 450 tonnes a week from Ravenscraig's *8,000-tonne* capacity.

Consequently, although the consequences for Johnstone, Renfrew and Paisley, the local towns, will be devastating, the instability at the plant has led local businesses to seek alternative markets for some time. Braidwood Developments, for example, which supplies injection mouldings to Peugeot, has been looking for other outlets for some time.

The company meets Manpower Services Commission officials next week to tell them the dates of the run-down.

Last night Mr. George Matthewson, chief executive of the Scottish Development Agency, said that the closure was a "savage reminder" of the state of the industry.

"The closure reinforces our belief that a wide range of smaller and particularly high-technology companies must be encouraged to develop and grow in Scotland. This would make the economy stronger."

Atmosphere counts most in pubs

By Gareth Griffiths

CUSTOMERS choose their public houses for atmosphere and the quality of bar food rather than for the beer, a survey published yesterday claims.

A survey of customers in the 935 public houses mentioned in the Egon Ronay 1981 Pub Guide found that 4 per cent of customers choose public houses because of the beer compared with 60 per cent for atmosphere and 17 per cent for the quality of bar food.

The guide, published yesterday, is highly critical of the food served in Britain's 75,000 public houses. Four-fifths of public houses visited for possible inclusion in the guide were rejected by the inspectors.

The guide complains that the overwhelming majority of pubs 'have no conception of what good, simple bar food is and that menus lack imagination.

Food in free houses or tenanted public houses is much better than in pubs under management.

The "pub of the year" is the Greyhound Inn in Staple, Fitzpaine, Somerset

The Egon Ronay Raleigh Pub Guide 1981, published by Penguin. Price £2.25.

Provincial aids jobless

PROVINCIAL Building Society, the country's ninth largest, is to provide special help on financial problems for the unemployed.

It has put together a series of information sheets about redundancy payments, the associated tax problems, investment, mortgages and personal financial management. The society also says that, where justified, borrowers can suspend their mortgage repayments for a year or extend the term of the mortgage.

Chemist quits Bond St.

SAVORY AND MOORE, the chemist with a Royal Warrant, is to give up its premises in Bond Street, London, where it was founded in 1797.

The company said it would be leaving in March after failing to agree on a new lease. The Royal Family had been advised of the closure and arrangements would be made to supply the Household from another London branch.

THF plans expansion

TRUSTHOUSE FORTE is planning a major expansion of its "Julie's Pantry" fast food hamburger chain.

THF has three fast food outlets—in London's Knightsbridge and at two motorway service areas—but plans to open another 50 outlets over the next year, with total investment likely to be about £12.5m.

Factory to close

BELSTAFF International, the weatherproof clothing manufacturer, is to close its factory in Market Drayton after only 11 months, making 42 workers redundant.

Government to give boost to North Sea exploration

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT is to give a further boost to North Sea exploration by issuing 50 to 55 new drilling licences.

Energy Department officials have almost completed the selection process for the discretionary seventh round licences. The successful applicants—expected to include a high proportion of UK companies, many new to the North Sea—will probably be announced towards the end of this month.

It appears that the Department will award a higher number of licences than originally expected. Last year the Government was planning to issue about 70 licences, but following pressure from the UK Offshore Operators' Association the target was lifted to nearer 90. The seventh round licences could cover about 95 blocks, the number applied for.

The Government has already announced the provisional award of 42 blocks in the central and northern sectors of the North Sea. These were selected by companies themselves. East successful applicant had to pay a premium of £5m—a new licensing ploy which earned the Exchequer about £210m.

The blocks still to be allocated were nominated by the Energy Department. Applicants are being selected on the basis of their exploration record, financial and technical standing, commitment to the UK economy and the amount of drilling proposed for each block. Mr. David Howell, Energy Secretary, hopes a new breed of UK independent companies will feature among the licensees.

Newcomers in the list of companies awarded premium blocks included Unigate, Grand Metropolitan and UK investment consortia such as Saxon and Dawsea.

The seventh round will set records for the number of companies involved and the acreage covered by the licences. The industry made 125 applications for 95 blocks in widely varying parts of the UK Continental Shelf, including the North Sea, English Channel and South Western Approaches.

The Government, oil companies, and the offshore supply industry hope the new licences will stimulate the level of exploration which has remained flat in recent years. The Offshore Operators Association has told the Energy Department the industry needs to drill between 65 and 90 exploration wells each year in order to maintain oil self-sufficiency beyond the turn of the century.

At present the UK offshore industry is drilling nine exploration wells although it is also involved in sinking a further eight appraisal wells and six development wells.

A Parliamentary Bill which could open the way for public investment in British National Oil Corporation is to be published in the next few days. It will give the Energy Secretary enabling powers to offer shares in the state corporation, among the most active exploration companies on the UK Continental Shelf.

The move will be no more than a first step towards "privatisation." Mr. Howell has no immediate plans to offer shares.

However, the Government plans to issue about £500m of low-denomination revenue bonds linked to BNOC's North Sea revenues. The bonds will confer no voting rights in the Corporation and thus the Government will remain in control of exploration, production and trading policies.

Hovercraft merger decision soon

BY WILLIAM HALL, SHIPPING CORRESPONDENT

A DECISION on the proposed merger between Hoverlloyd and Seaspeed, the loss-making Channel hovercraft operators, is expected within the next few weeks. The feasibility study is nearly complete and will be considered soon by the boards of British Rail and Brostroms, the companies' owners.

The companies announced their merger talks on November 19. It had been hoped they could be operating a joint service this year.

Talks have taken longer than expected and the companies have made separate announcements of 1981 tariff structures and flight schedules. A joint operation is unlikely until next year.

Both companies lost money last year and their traffic fell, although the market overall grew by about 15 per cent. The number of cars carried by Hoverlloyd fell by 17.7 per cent and passengers by 10 per cent. Seaspeed's passenger traffic increased by 12 per cent, but its car traffic fell by 13 per cent.

The two companies carried 2.4m passengers and 352,000 cars in 1980, giving them a combined share of about a third of the short sea market.

Profits have disappeared because of the sharp rise in fuel prices and extensive price cutting by conventional ferry operators.

It is hoped that a merger will bring economies of scale and restore profitability. However, problems still have to be overcome.

The first is finance. The new company will need a fairly substantial injection of capital to continue to hold a third of the market. British Rail and Brostroms are reluctant to put in additional funds. The Government plans to sell Seaspeed to the private sector, but it is far from clear that private investors will want to invest in a company whose long-term future is uncertain.

Another problem is finding a chief executive. The chief executives of both Seaspeed and Hoverlloyd are near retirement and there is no obvious successor.

Finally, there is concern about increasing hovercraft operations at Dover, especially after the accident to Seaspeed's Princess Margaret. It bumped into the harbour wall on January 23 and will be out of action for months. Seaspeed's other craft is being overhauled and it had to charter one of Hoverlloyd's smaller craft to maintain services.

Hovercraft are difficult to handle in an enclosed harbour like Dover. Pilots prefer to operate from a site such as Hoverlloyd's Pegwell Bay.

However, commercial reasons dictate that Dover is likely to become more important in any merged operation. It is closer to the Continent and can offer conventional ferry services if hovercraft are cancelled.

Call for 15% cut in acute hospital beds in London

By Robin Pauley

THE NUMBER of acute hospital beds in London should be reduced by 15 per cent and the freed resources redeployed to improve primary care and facilities for the elderly, a report published yesterday says.

The changes are outlined in a report by the London Advisory Group, chaired by Sir John Habakkuk, principal of Jesus College, Oxford, and endorsed by Mr. Patrick Jenkin, Social Services Secretary.

The report says that main acute services for the capital should in future be provided by 23 major hospitals with smaller hospitals looking after increasing numbers of elderly patients, the mentally handicapped and the mentally ill. Some smaller hospitals may have to be closed.

The present number of 26,469 acute hospital beds in London should be reduced by 4,120 by 1988 because the capital's population was falling and patients spent less time in hospital.

Mr. Jenkin, in a foreword to the report, said the four regional health authorities in London should develop plans urgently to implement the proposals in the report. His department would monitor their progress.

Dr. Gerard Vaughan, Health Minister, said yesterday that the huge investment in London's major hospitals must now be used fully to cover the health needs of the inner London population.

Community health services were not as good as they should be. More services were needed for the elderly and the mentally disabled and ill.

"There should be a better balance in London with fewer acute beds so that the resources freed can be deployed to fill the gaps in the Cinderella and community services," he said.

Dr. Vaughan refused to say which small hospitals would close or change their roles. Small hospitals still had a very important future. Some would stay as specialist hospitals. Some would change to provide care for the old and community services.

Martin Dickson looks at the reason behind the pit closure programme

Black outlook as coal sales fall

AT THE HEART of the big pit closure programme announced this week lies the gloomy realisation by the National Coal Board that it faces a virtually static or even shrinking UK market for at least the next few years.

NCB sales in the year to March, both at home and abroad, will be 6m to 7m tonnes down on the 1979-80 total of 125m. Bad though that is, it is the knowledge that the outlook to 1985 is little or no better, while production is rising, that has forced the board to take such strong action.

The recession is largely to blame. Higher oil prices have helped the NCB to secure a somewhat larger share of the energy market—but the total market has been shrinking. Recovery is likely to be slow, and the board faces problems in each of its five main markets:

● The electricity supply industry is by far the board's most important customer, accounting last year for 70 per cent of total NCB sales. The industry used nearly 89m tonnes—a 5m tonne increase on the previous year as it switched heavily from expensive oil firing to coal. About 86m tonnes came from the NCB and 2.5m tonnes were imported.

This year the electricity industry is expected to use 88m tonnes—down slightly because of reduced power demand—and about 4m tonnes of that will be imports, meaning a 2.5m market loss to the NCB.

Imports—used as pricing pressure on the NCB and to top up domestic supplies—are likely to fall to 2m tonnes in 1981-82. But the effects on the NCB will be offset by the coming on stream of numerous non-coal burning power stations over the next few years.

In England, the Central Electricity Generating Board will be bringing into production 4,000 MW of new nuclear plant which the NCB says will generate power equivalent to 8m to 10m tonnes of coal a year.

In Scotland, the Peterhead power station is due on stream next year. For its first three years it will run on natural gas liquids from the North Sea which cannot immediately be processed by the chemicals industry. The NCB believes this will burn the equivalent of more than 1m tonnes of coal a year.

Total power station demand for coal is forecast to shrink to 85m tonnes by the mid-1980s—and the NCB will have to be very competitive on price if it is to keep imports' share of this to a minimum.

● The crisis in the steel industry has sharply reduced the demand for coking coal. The British Steel Corporation, the NCB's main customer, bought nearly 13m tonnes from the board in 1974-75 and used under 1m tonnes of imports.

This year BSC is buying just over 4m tonnes from the NCB and using over 3m tonnes of cheaper imports.

The board's sales would be even less were it not providing BSC with expensive subsidies—worth over £44m this year—though the Board claws part back in supplies of cheap steel.

● In the home heating market, sales are down 20 per cent on the 10.2m tonnes for 1979/80 as consumers resist price increases. In spite of a major solid fuel marketing campaign, there seems little chance for growth here.

● Exports of coal from the UK are on the increase—up from about 2.5m tonnes in 1979/80 to about 4m tonnes this year. The NCB believes it could reach 6m tonnes next year but not expand much further.

Although the NCB gets useful cash flow from exports, it has to cut prices to meet international competition and makes no money on the sales. Furthermore, the physical limit of the UK's export capacity is about 7m tonnes.

● The general industrial market is expected to be coal's major growth area over the next 20 years, as factories switch back from oil-fired boilers to coal.

But the recession is reducing the market—expected to be 1.5m tonnes down this year on the 10.7m tonnes for 1979/80. Nearly 1m tonnes of the drop is from factory closures—such as Bowater's plant at Ellesmere Port (250,000 tonnes) and 10 Courtaulds plants in the north west (155,000 tonnes).

It is particularly galling to the board that a large number of industrialists are considering switching to coal firing but cannot afford the capital costs in a recession.

Sir Derek Ezra, the board's chairman, told unionists this week that the NCB knew of 1,000 conversion schemes which could bring in 5m tonnes of business a year by 1988.

The board wants to speed up the process and is asking the Government and the EEC to give industry financial help to convert.

All these difficulties mean the NCB expects total UK coal use to fall from 128m tonnes last year to about 121m tonnes by 1983-84 and remain at that level for at least the following two years.

With a major battle against imports, it hopes it can sell 120m tonnes a year during this period — both at home and abroad. But to fight imports successfully it will need to keep price increases well below the rate of inflation — in itself a difficult task.

This is all a far cry from the Plan for Coal, the industry expansion blueprint, drawn up in 1974. That gave a central estimate of total UK energy demand in 1985 of 430m tonnes of coal equivalent. Coal demand would be 130m to 150m tonnes.

The NCB now estimates that total energy demand in 1985 will be 343m tonnes of coal equivalent, with coal providing 121m tonnes.

The lesson is that energy forecasting is a dangerous profession—and the late 1980s could have more surprises in store for the NCB, favourable or unfavourable.

NCB 'must slow price rises to hold market'

BY MAURICE SAMUELSON

THE COAL BOARD said yesterday that it would have to slow down its price rises over the next three years if it was to achieve its reduced target of selling 120m tonnes a year.

In the past eight years, coal prices had gone up by more than 2½ times the retail price index and nearly twice the RPI over the past three years, Mr. Malcolm Edwards, the board's director-general for marketing, said.

"It is not possible to continue like this and sell 120m tonnes a year."

Mr. Edwards, adopting a "hard-nosed" approach to the board's controversial plan to speed up closures of loss-making pits, said coal was governed by the same economic laws as other mineral extracting industries.

Describing the board's accelerated closure programme as being "good for our customers," Mr. Edwardes said: "We have to keep all the UK market that we can for coal and we have to keep it for British coal."

"If we are going to keep out coal imports and squeeze oil and gas out of the heating business and supply our consumers with heat at a price that enables them to sell their own products, then we have just got to get adjusted to smaller price increases."

Selling 120m tonnes a year meant that prices for the next few years would be less than the rate of inflation which itself would clearly be much lower than in the past.

In this way, the coal industry would escape from the recession with far less damage than the other major process industries in the UK.

Its underlying strength was already shown in the fact that while most heavy industries' sales had been 20-35 per cent down in the past year, coal sales had fallen only 6 per cent.

Coal's relative recovery was also reflected in the fact that it now had its highest share of the energy market for ten years. It was also the first time for 13 years that coal had the biggest slice — 38 per cent — of the primary fuel market.

There was also a positive trend in foreign trade. While foreign coal imports in 1981-82 were likely to fall from more than 7m tonnes, British coal exports would rise to 6m tonnes, plus 1m tonnes of coke.

France would purchase 2m tonnes, West Germany and Denmark 1.5m tonnes each; and Ireland and the other Scandinavian countries 0.5m tonnes each.

Three quarters of French purchases went to her electricity generating industry and another 300,000 tonnes were used for making brickettes.

The biggest handicap, however, was the high level of sterling which made exports relatively dearer and imports cheaper. Every 6 cents fall in the U.S. dollar against sterling put another £1 on the price of a tonne of British coal abroad.

The devaluation of the Deutschemark had meant that West German customers had to pay about £7 more per tonne of British coal.

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Private sector would benefit from rail plan

LYNTON McLAIN examines the options for main line electrification which a British Rail/Transport Department study group concluded would be financially worthwhile, although it stopped short of urging the Government to raise the railways' investment ceiling.

PRIVATE RAIL equipment manufacturers and construction contractors would do "most of the work" in a substantial programme of main line electrification that British Rail and the Transport Department have concluded would be "financially worthwhile."

Their conclusion is among the most important in the report published yesterday of the joint study group set up in May by Mr. William Rodgers, then Transport Secretary.

Its terms of reference were "to review the case for a programme of main line electrification, to analyse the various relevant considerations and formulate the issues for decision."

An interim report, published in September 1979, showed that electric traction could reduce the direct costs of operating trains and could offer better services. However, electrification needed more costly infrastructure in the form of complex overhead power lines and track-side gantries.

Mr. Rodgers set up the group largely in response to a recommendation by the all-party select committee on nationalised industries in its report on British Rail's role in public transport, published in April, 1977.

The MPs recognised that British Rail's investment ceiling did not permit further large-scale electrification. Nevertheless, electrification offered several advantages.

Its widespread introduction would give freedom from imported oil, higher acceleration rates, better reliability and lower maintenance costs for rolling stock.

Many of these advantages are demonstrated in the study group's final report.

However, it deliberately *stopped short of* urging the Government to invest "above its present ceiling" once the case for further electrification was established, as the MPs recommended.

The report concentrated on the financial case for more electrification, while accepting that "the questions now are about *a strategy to change progressively* to electric traction, how much to plan to spend, how much to commit and when to start.

"These affect the level of investment in the *railway and* its requirements for external finance. We are very conscious that they raise wider issues of railway finances and of competing priorities for Government funds, outside our remit."

The analysis of the financial case showed that all larger options offered an *internal real* rate of return of about 11 per cent.

The wider effects of further electrification had two main advantages.

First, electrification would reduce British Rail's dependence on oil, although it *accounts for only 3 per cent of* oil consumed by transport. However, widespread electrification would "scarcely affect total *energy consumption.*"

Second, a programme of electrification "should assist the UK manufacturing industry to win more orders overseas, in an expanding market, and would *be in* keeping with the Government's policy of using public purchasing more effectively to enhance the competitiveness of British industry."

The Railways Industry Association, which represents equipment manufacturers welcomed the conclusions.

The industry has the "*technology, manpower and* manufacturing resources to cope with an early start on the largest programem of main *line electrification*," the association said.

It has an annual turnover of £450m about a quarter of which is exported. The association said £250m new export orders could be won over the next five years with the aid of a home base for orders.

The world market for electric traction systems is expanding rapidly. By the year 2000, 40 per cent of world rail systems are expected to be electrified, compared with 18 per cent in 1978.

The report said a rolling programme of electrification should enhance the industry's ability to compete overseas by reducing unit costs, encouraging technological development and providing a shop window for its products and capability.

These main advantages, coupled with the expected real rate of return suggest that the case for electrification was established beyond reasonable doubt.

"The issues for decision now are essentially how quickly to proceed and when to start," Mr. John Palmer, Under-Secretary at the Transport Department, and Mr. Michael Posner, of the British Railways Board, said.

On rate of progress, the choice is between having three or four teams on constructon work. In either case, there would be a planned build-up of "three to *four years*" to allow British Rail to complete design work and the private sector companies to assemble the necessary resources.

Three teams could complete a medium-sized programme of electrification—the main "area for consideration"—in 25 years.

This would extend electrification up the east coast line to Edinburgh: from there to Glasgow and Carstairs; up the Midland line to Sheffield; from Liverpool to York; along the north-east to south-west route from York to Birmingham and then to Bristol and Reading: and on the Western region as far as Swansea and Plymouth.

If this programme was chosen, 75 per cent of passenger and 54 per cent of freight traffic would be electrically hauled.

The largest-sized option would take about 30 years with three teams. This would mean 80 per cent of passengers and 70 per cent of freight traffic electrically hauled. It is an extensive programme and would include electrification to Aberdeen and Penzance.

It would give the highest present net value, £305m, of any of the report options. It gives the greatest rate of return—11.1 per cent—but makes the biggest cash flow demands of between £24m and £42m a year for the first 15 years. In some years, it would exceed £60m.

Both the medium and largest options would demand cash flow of £12m to £30m a year for the first 15 years.

With four construction teams working, the medium option could be completed in about 15 years. The largest could be completed in 20 years. In both cases, cash flow demands would be higher—between £24m and £42m for the first 15 years.

No substantial work would start for about three or four years. It would take about a year from the date of a decision to incur significant expenditure, and since *the rate of return* would be more than 10 per cent in real terms, delay would cost money.

The report considered the option of a small programme to reach Newcastle-upon-Tyne on the east coast line from London and Sheffield on the Midland main line. This would include Edinburgh to Glasgow and Carstairs, and York to Birmingham.

This option is the first part of the larger programmes, but has the lowest net present value (£84m) and the lowest rate of return (9.9 per cent).

The lowest level of further *electrification would* allow 62 per cent of passenger traffic and 38 per cent of freight traffic to be hauled electrically.

Higher passenger fares would almost certainly be charged. One idea in the report suggests a "once-and-for-all fares increase of up to 6 per cent after taking account of inflation, spread over the three years following the introduction of electric traction."

Another idea was a further increase of 6 per cent on top of inflation, again over three years, after locomotive haulage was replaced with high speed traction such as the advanced passenger train and the high speed train.

No extra freight traffic is expected to be generated by further electrification, the report said. Electrification would reduce freight operating costs, but there would be only limited scope for attracting more traffic through pricing such as lower rates, "because the British Railways Board already operate a market - pricing policy."

Freight is most competitive in the heavy train-load traffic market such as coal, chemicals and aggregates, serving markets whose location is constrained by other factors.

The report said electrification was unlikely to significantly affect decisions on location by industry.

The report highlights the major constraint on British Rail which may prevent further large-scale electrification of *main lines—the ability of the* British Railways Board to justify investment in its commercial business—especially the loss-making freight business which is supposed to be self-supporting under Government regulations.

"The amount of investment we have been considering for electrification assumes that the British Railways Board are in due course able to jusify investment in their commercial businesses at higher than present levels.

"This depends on [illegible] decisions on total [illegible] investment and on the Board's ability to generate more money," the report said.

The requirements for electrification would be additional and the net total would be £[illegible]m undiscounted, at 1980 survey prices over the 20 years of the [illegible] and [illegible] programme.

British Rail could generate more money from productivity programmes. These would partly accompany electrification which would reduce maintenance costs and these are largely staff costs.

"*Review of Main Line Electrification—final report,*" *February 11, 1981. Department of Transport. British Railways Board.* HMSO, £4.50 net.

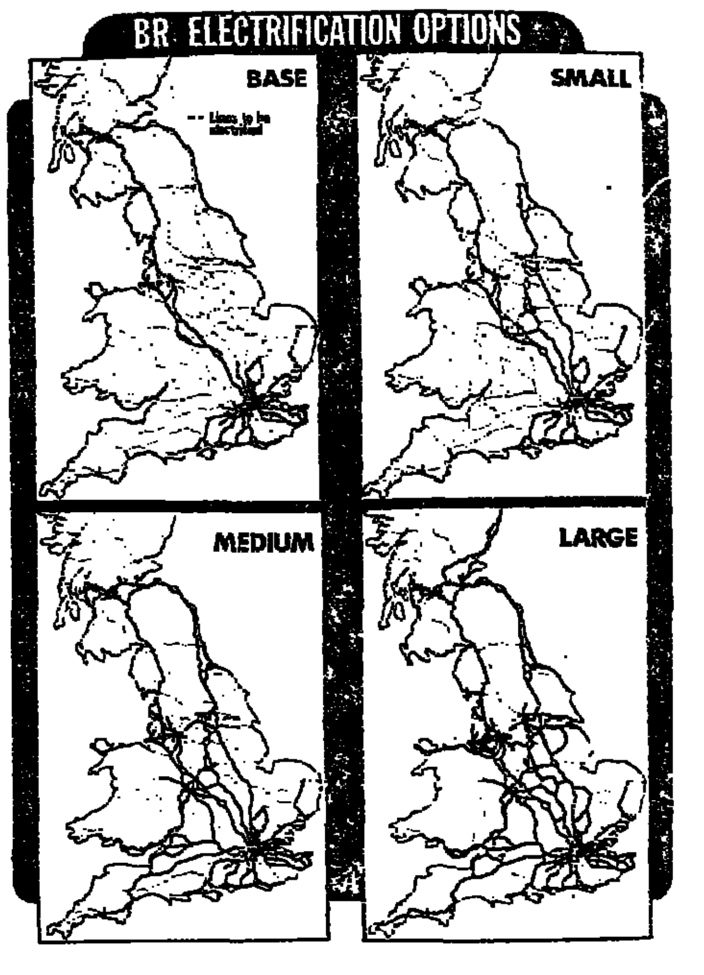
ELECTRIFIED MILEAGE BY OPTION*

Option	Route miles	% of present network	Single† track miles	% of present network	% of passenger and freight loaded train mileage electrically hauled: P.	F.
Base	2,580	23	6,390	29	52	23
Small	3,460	31	8,770	40	62	38
Medium	4,620	42	11,450	52	75	54
Large	5,750	52	13,610	62	83	68
Total BR network at 1.7.80	11,006		21,892			

* Excluding sidings.
† Including track already electrified.

FRAMEWORK FOR ELECTRIFICATION ASSUMING 1981 START

Option	General rate (single track miles/year)	Additional Electrification over present day: Route miles	Track miles	Completion Date	Payback Year
Base		240	490	1988	
Small	250	1,120	2,870	1995	2009
Medium (slow)	250	2,280	5,550	2005	2009
Medium (fast)	500	2,280	5,550	1995	2006
Large (slow)	300	3,410	7,710	2010	2010
Large (fast)	500	3,410	7,710	2000	2007



Bitter Stansted inquiry expected

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BATTLE over the development of Stansted Airport, Essex, as the major third airport for London, will start on September 15, when the public planning inquiry into the British Airports Authority's plans opens at Charrington House, Bishop's Stortford.

Mr. Michael Heseltine, Secretary for the Environment, said yesterday that Mr. Graham Eyre, QC, will be the inspector at the inquiry, assisted by two assessors.

They will be Mr. William Tench, chief inspector of accidents in the Department of Trade, and Mr. Philip S. Maynard, a principal planning inspector in the Department of the Environment.

Mr. Tench will be concerned with aviation matters, and Mr. Maynard with general planning and transport implications.

The inquiry has been called to consider the plants of the British Airport Authority to expand Stansted Airport from the present 275,000 passengers a year to a level of 15m a year, with the provision of a new terminal and other facilities.

The inquiry is expected to be one of the longest and most acrimonious of its kind, lasting at least six months. Considerable local opposition has been generated by the plan to develop Stansted into a third major airport, in spite of the fact that it has been rejected twice at previous inquiries as the solution to London's airport problems.

The British Airports Authority issued last week its "statement of case" for the development of Stansted, arguing that with air traffic in the London region expected to reach more than 87m by 1995, and available capacity amounting to only 68.5m, the need for Stansted by the late 1980s is inescapable.

That argument is likely to be strongly contested, with many environmental groups querying the authority's figures, and arguing that if a new airport is needed, it ought to be placed somewhere else, for example at Maplin, off the Essex coast.

Stockbroking firms in merger move

By John Moore

THE PARTNERSHIP of Bendon Langner and Co., a stockbroking firm with a substantial private client business, is joining Capel-Cure Myers, another stockbroking firm.

Bendon Langner's business is to be merged into Capel-Cure Myers.

About 20 from a staff of 35 at Bendon Langner will join Capel-Cure Myers.

Bendon Langner acts for more than 3,000 private clients and the business is said to complement Capel-Cure Myers' expanding portfolio management division for private clients. Capel-Cure Myers acts for about 12,000 private clients.

The merger is subject to the consent of the council of the Stock Exchange.

Private medical insurance 'will double by 1990'

BY ERIC SHORT

THE NUMBER of people covered by private medical insurance in the UK will more than double by 1990, the Centre for Business Research predicted yesterday.

The centre, in its latest research report on medical insurance in the UK, suggests that the number of subscribers to medical insurance schemes—either individual contracts or through company schemes—will grow by 10 per cent each year from 1.54m in 1980 to 2.48m in 1985 and 3.99m in 1990.

However, the total number of people covered by medical insurance is expected to increase from 3.3m last year to 8.5m in 1990 because many insurance policies cover the whole family.

But this forecast, prepared in conjunction with the Manchester Business School, has already been overtaken by events since it did not anticipate a growth rate in membership of 27.5 per cent last year to 1.65m subscribers, covering 3.58m people.

The centre also predicts that most of this increase in membership will come from company-paid schemes, but that the number of individual subscribers will remain steady.

The report analyses the subscription income and benefit payments of the three main provident associations which dominate the market—*British* United Provident Association, Private Patients Plan and Western Provident Association.

This shows that, between 1970 and 1978, the ratio of benefits paid to subscription income received declined from 83 per cent to 64 per cent.

The centre concludes that this trend will continue and that the revenue of the provident associations over the next decade will rise by 15 per cent each year in real terms, against a 10 per cent growth in membership.

The UK Private Health Insurance Market Research Report, Centre for Business Research, Booth Street West, Manchester M15 6PB. £25.

Home service cover grows

HOME SERVICE insurance companies, which use agents calling at the homes of policy-*holders, continued to* register a strong growth in life assurance business in 1980, despite difficult economic conditions.

Figures issued by the Industrial Life Offices Association show that new annualised premiums on industrial life business—life policies with premiums paid weekly or four-weekly and collected by agents—rose by nearly 20 per cent to £211m last year against £176.4m in 1979.

New annual premiums for ordinary assurance contracts taken out by individuals—life business where premiums are paid at least monthly often by direct debit—showed less spectacular growth last year rising by only 8 per cent to £101m from £93.6m in 1979.

This figure included individual linked-life business marketed by the home service companies. Single premium business last year rose by over 50 per cent from £18m to £28m.

The home service companies had a mixed year for self-employed pensions business. New annual premiums rose by 22 per cent in 1980 to £24.3m from £19.8m in 1979. But single premium business declined 8 per cent from £19.2m to £17.6m.

Pym admits adjustments in tactics and timing

By Elinor Goodman, Lobby Staff

MR. FRANCIS PYM, Minister in charge of co-ordinating the Government's communications, yesterday acknowledged that the recession had forced the Government to adjust its strategy.

Changed conditions had made adjustments necessary—in both tactics and timing. It had also meant that the Government had to introduce some measures which, he implied, had not been part of its original plan.

All this had meant that the public was now confused about the Government's objectives. The present critical state of public opinion and the depth of Britain's economic difficulties must "give any Conservative cause for thought," he said.

Mr. Pym's speech came among signs of increasing anxiety on the Tory backbenches. Many Tory MPs are acutely embarrassed by the Government's apparent readiness to go on putting public money into nationalised industry. They are seriously concerned that the Government has lost its way.

Mr. Pym's speech yesterday seemed mainly aimed at reassuring Tories that the Government's basic strategy is on course. But its frankness surprised some Conservatives who saw it as the clearest acknowledgement yet by a Government Minister of the degree to which it had had to change tactics.

Making his first major speech on domestic affairs since he was appointed Leader of the House and Paymaster General. Mr. Pym said the simple truth was that "in the light of the deterioration in the world and domestic economic framework. we could neither press ahead regardless with our planned schedule. nor avoid some much-needed measures to deal with some of the distressing effects" of the developments since the election.

Common sense, he said, "tells us that changed circumstances make adjustments necessary." Apparently anticipating the reaction to his speech, he said the Government would not be deterred from making this "statement of the obvious by accusations of changing course." The adjustments in no way implied the abandonment of any of the Party's main purposes or any change in strategy.

Definitely a day for Conservative sceptics

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THERE WAS an intriguing build-up to yesterday's statements in the Commons on the closure of Talbot's Linwood plant and the current financial troubles of British Steel Corporation.

During Question Time on Tuesday, Mrs. Thatcher had firmly told the House: "Whatever one wishes to do, one cannot go on borrowing more and more for causes however worthwhile they are."

Yesterday, that old professional, Lord Thorneycroft, took a more realistic view when he jovially informed a Press gallery lunch: "You would be surprised at the amount of intervention all Cabinets can get up to."

These two observations, symptomatic of the economic cross-currents in the Conservative Party at the moment, were fully borne out by the latter events in the Chamber.

The Linwood closure seemed to highlight the hazards of the public assistance game. The State aid to Chrsyer and the "declaration of intent" subscribed to by Peugeot when it took over Talbot, did not have Linwood at the end of the day.

Nor was it any lack of offers of further assistance that led to yesterday's closure. Mr. Alex Fletcher, Scottish Under-Secretary, was only too eager to emphasise that the company had moved out despite offers of development grants and more assistance under the Industry Act.

After the noisy protests from Scottish Labour MPs over Linwood, the statement on BSC turned out to be a bit tame. MPs had been expecting a massive £5bn injection of taxpayers' money and Tories feared the impact this would have on the private steelmakers.

But all that was announced by Mr. Norman Tebbit, Minister of State for Industry, was a £500m extension in the corporation's borrowing powers, with the rest of the package to be unveiled in a week or so after further Cabinet agonising.

The Opposition indignantly protested that Sir Keith Joseph, the Industry Secretary, who was seated on the Government Front Bench, should be making the statement instead of his junior Minister. But Mr. Tebbitt, who has turned out to be a real toughie since his appointment in the recent Government reshuffle, told them it would be foolish to keep four dogs in the Department of Industry if Sir Keith did all the barking himself.

How long would the £500m last, asked Sir Michael Brown (Con. Brigg and Scunthorpe). "Ten days!" shouted one Tory doubter.

With all this talk of government money, it was definitely a day for the sceptics rather than the dwindling number of Tory purists who think that the Government should not intervene to help industry.

As Lord Thorneycroft had observed earlier, "I am too old and too experienced to have faith in economic theory. I have seen every economic theory there is — and none of them works."

Measures to help Linwood area being considered

THE GOVERNMENT is urgently considering measures to provide new jobs in the area affected by Talbot's Linwood car plant closure, the Commons was told yesterday.

Mr. Alex Fletcher, Scottish Under-Secretary, answering an emergency question on the Talbot announcement, said the company's statement showed "its productive capacity in the UK considerably exceeds its present and prospective market share and that concentration of its facilities, rather than expansion, was the only realistic course open to it."

The closure would mean the loss of 4,800 jobs at Linwood and have an effect on suppliers.

"I am considering urgently, in advance of the shutdown by the end of this year, what measures we can realistically take to generate new employment in the area," Mr. Fletcher said.

Mr. Bruce Millan (Lab., Craighton) pledged the Opposition to fight the closure.

He claimed that the Linwood closure was "the first step in complete withdrawal of Talbot operations from the UK."

Mr. Fletcher said Peugeot, the French parent company, planned to keep a "substantial presence" in the UK, and was "confident of a secure future for plants at Stoke, Dunstable and Luton.

The Government was "seeking urgent discussions" with local authorities in the area, the Scottish Development Agency, the Scottish TUC and the CBI in Scotland.

Mr. Allan Stewart, (Tory Renfrew E.) pleaded for Linwood, with its skilled workforce, to be considered as a possible site for the proposed Nissan car factory in Britain.

Mr. Fletcher said: "We will broaden our discussions wherever possible, including any prospects of persuading Nissan, if they finally decide to come to the UK, to take up the facilities at Linwood."

Mr. Millan said the Opposition "viewed with complete scepticism" the Government's efforts to persuade Talbot to stay in the UK and particularly at Linwood.

"If pledges at Linwood can be broken, pledges can be broken at Coventry as well. What we are seeing today is the first steps towards the complete withdrawal of Talbot operations from the UK," he said.

Mr. David Steel, Liberal leader, said the Government had made £60m available for losses incurred in UK businesses of Chrysler.

Mr. Norman Buchan (Lab. Renfrew W.) said the decision would spell death for the Linwood area "as surely as happened to Jarrow."

Mr. Buchan failed to obtain an emergency Commons debate on the closure.

Call to safeguard private-sector steel group

BY IVOR OWEN

SAFEGUARDS FOR private sector steel companies to ensure that they are not forced into "shotgun marriages" with the British Steel Corporation were demanded by Tory backbenchers in the Commons last night.

Their fears for the future of many long established companies dominated the exchanges which followed an announcement by Mr. Norman Tebbit, Minister of State for Industry, that as an interim measure a Bill is to be rushed through Parliament increasing the Corporation's borrowing powers by £500m.

In skilfully negotiating the political minefield, he highlighted the dilemma facing the Cabinet—which led to the postponement of a fuller statement—over the implications of providing the much larger sums, estimated to be in the region of £5bn, needed to finance BSC's new corporate plan.

Mr. Tebbit admitted that market conditions, mainly resulting from overcapacity in Europe, was forcing BSC to sell some of its products at a loss and that this left the private sector with little alternative but to follow suit or cut back on their production.

He stressed: "Decisions on the plan involve the consideration of very large sums of taxpayers' money, and will affect the position of a number of private sector companies whose areas of operation overlap."

The difficulties inherent in the Government's preferred solution—joint partnerships between BSC and the private companies concerned—were underlined by Sir John Eden (C., Bournemouth West).

He called for an assurance that genuine partnerships would result and that BSC would not be allowed to use taxpayers' money to dominate competition from the private sector.

To cheers from the Government benches, Mr. Michael Grylls (MP for Northwest Surrey) and chairman of the Conservative backbench industry committee, argued that any additional money provided for BSC should be subject to the condition that it could not be used for production which might put private sector companies out of business.

Mr. Tebbit said that if BSC or any private sector company were to be prohibited from selling at a loss it would condemn them to closing down their capacity on a massive scale.

But he assured Mr. Anthony Beaumont-Dark (C, Birmingham Selly Oak): "It is our intention that BSC should not use funds to destroy the British independent sector of the steel industry."

Mr. Stan Orme, Labour's chief industry spokesman, bluntly attributed the postponement of the full statement on the Government's response to BSC's corporate plan to pressure from the Conservative backbenches and warned that the delay would create further uncertainty in an already difficult situation for the industry.

Tories sponsor new Rachmanism

BY MARGARET VAN HATTEM, LOBBY STAFF

THE next Labour Government will repeal short-hold tenancies, Mr. Gerald Kaufman, the Opposition spokesman on housing, said yesterday.

Opening the Opposition attack on the Government's housing and construction policies, he said introduction of short-hold tenancies "signals the end of rent control and security of tenure.

"This Government is sponsoring the return of Rachmanism,"

The Government since taking office had slashed spending on the housing investment programme by 57 per cent, raising unemployment in the construction industry to record levels.

Housing had become more expensive than ever before, with high mortgage rates, 5¼m mortgage holdings paying an effective annual tax of £1.5bn and rents in the public sector soaring.

With two turns of the screw, manipulation of the block grants system and curbs on housing subsidies, even Labour councils were forced to increase council-house rents. In some areas council rents had more than doubled since the Tories took office.

Some councils, taking advantage of the new Housing Act to make profits on these rents and divert them to the general rate fund, penalised council tenants, whose incomes were 25 per cent below the national average "to subsidise the rate bills of their better-off neighbours."

Mr. Kaufman attacked Mr. Michael Heseltine, the Environment Secretary, who, he said, always gave Parliament two sets of figures, "first the phoney figures, then the real ones when under questioning he is forced to come clean."

Mr. Heseltine attacked the Opposition for hypocrisy. The decline in housing construction began under the Labour Government, he said.

His Government aimed to "sweep away the bureaucratic jungle," leaving much more discretion to the local authorities "

Government happy to be challenged

By John Hunt

LORD THORNEYCROFT, chairman of the Conservative Party, yesterday reiterated his claim, made in the Lords last week, that the Tories now occupy the central ground of British politics.

In his speech to the Parliamentary Press Gallery, he strongly played down the impact a new realignment of Liberals and Social Democrats would have. He maintained they only occupied "peripheral positions" and were too doctrinaire and absorbed with constitutional questions to be "good material for the Centre."

The Government, he said, was quite happy to be challenged on the centre ground. But the challengers would have to hurry up. The sun would come out sooner than people imagined and there were glimpses of this already with inflation coming down and exports running at £1bn a week.

Debate on Canada refused

A LABOUR MP last night failed in a bid to obtain an emergency Commons debate on what he described as the "very critical" deterioration in Anglo-Canadian relations resulting from the Canadian constitutional dispute.

Mr. Bruce George, MP for Walsall South, who has taken up the cause of Canada's ethnic minorities against the constitutional plans of Canadian premier Mr. Pierre Trudeau, said it was "essential" to preserve good relations

He said the British High Commissioner had been withdrawn from Canada, perhaps coincidentally, after making statements that had caused a minor furore, and now the "amazing situation" had arisen of allegations of the British Government phone tapping Canada's diplomatic communications. He called for a debate or statement

Mr. George Thomas, the Speaker, refused his application.

Canada's constitution, Page 22

City 'should help towards recovery'

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

THE EARL OF GOWRIE, the Minister of State for Employment, last night made a direct appeal to the City to play its part in Britain's economic recovery.

His implied warning was that, if the City did not start putting more money into productive investment, it might find itself with a less than sympathetic Government.

He said in a speech to the Institute of Petroleum that he thought the Government had created the right conditions for investment. It was now entitled to "call for voluntary aid" from the City.

Lord Gowrie pointed out that, compared to other capital markets of the world, the British capital market was "under-invested" in its own national manufacturing industry.

Such companies were receptive to direct investment "to a degree unthinkable two years ago, or indeed in the past twenty years." But the Government could not itself put more money into industry, without "unleashing once more the inflationary whirlwind."

Capital in this country was "corporate and social," and in the interests of all the millions of small savers and pensioners and householders "who indirectly own it." The Government had placed fewer restrictions on its choice of fields for investment than any other government since the war.

Now the Government needed the City's help to achieve its social aims.

Victory looks certain for Owen

BY MAX WILKINSON

AFTER 29 years as a campaigner, member and now secretary of the Labour constituency party in Plymouth, Devonport, Mrs. Barbara Furzeman suddenly finds she must either get out or change sides.

If she stays within the party she would probably be forced at the next general election to fight against Dr. David Owen, the man for whom she and all the committee have bent their energies in two tightly fought contests. Like thousands of other party workers throughout the country, the emergence of a new centre party will present her with an extremely painful dilemma.

Moreover, if Dr. Owen were to stand as a Social Democrat against an official Labour party candidate, he would on present indications, almost certainly win. A senior official of Plymouth city council predicted without hesitation: "He would walk through; it would be a landslide. He has such a tremendous personal following in Plymouth."

Although changes to constituency boundaries and possibly a change of political climate could alter Dr. Owen's chances, it is clear that his own ebullient confidence is reasonably founded.

A poll for the magazine Now! suggested that Dr. Owen's share of the vote would rise to between 55 and 60 per cent (compared with 47.5 per cent in the 1979 election) if an election were held this week and he contested his seat as a Social Democrat.

This forecast was broadly corroborated by a straw poll conducted by the Plymouth Evening Herald and seems to be in line with the expectations of party workers. Even his opponents in the Labour Party concede that he would attract substantial support.

However, to make any sustained impression on the electorate, Social Democrats will need a party machine. and above all experienced party workers to keep it running. The nucleus will probably have to be formed out of defectors from the Labour party.

The first to declare her position has been Mrs. Furzeman. If when Dr. Owen leaves the Party and announces that he will stand as a Social Democrat, she will follow him.

Her decision has cost her some sleepless nights and a most painful struggle between her political conscience and loyalties during the 13 days

POLITICAL REALIGNMENT

since Dr. Owen announced he would not seek re-selection as a Labour candidate.

"The party has been my life," Mrs. Furzeman said. "It would be very difficult to leave it now, especially as I get on well with all the people on the management committee. If there had been any real row or a big campaign against David Owen it would have been easier in a way. I would have resigned at once."

However, the reaction among party stalwarts on the 50-strong management committee appears to have been much more of sorrow than of anger.

Even Councillor Ron Lemin, an old-fashioned Bevanite Left-winger who is pledged to fight Owen to the last if he should stand against Labour, says: "There is no animosity between us. David Owen has done a marvellous job as an MP, and although I disagree with a lot that he stands for, he has had my support.

"At the annual meeting (on January 30), when David Owen told the party he would not stand again, he was as white as a sheet. His voice was choking so that he could not be heard in the back row. I felt very sorry for him."

Some of the older party workers at that perhaps historic meeting were, according to Mrs. Furzeman, in tears.

Several, perhaps half a dozen or maybe more, would now leave the party in order to support him. "In some cases it will be because of a sentimental attachment to him, but for me it is a matter of policies. I cannot support what is going on in the Labour Party at present, particularly on the Common Market and disarmament. And I feel that if there is a breakaway, I will still be fighting in the cause of Socialism."

The conflict of loyalties which a new socialist centre party would ferment throughout Britain is particularly important in Plymouth for two reasons. The first is that the city is in the heart of non-conformist liberal (small "l") territory, even though the official Liberal candidate polled only 7 per cent of the vote at the last election.

Dr. Owen himself says: "Yes the people have basically liberal instincts: that is why I got elected. Plymouth was, after all a Cromwellian city surrounded by King Charles's men."

But the second, perhaps more important factor is that changes in the three constituencies' boundaries will shake up not only the voting arithmetic, but also party organisations.

The Sutton constituency on the residential east will remain a Tory stronghold, but Devonport — which Dr. Owen held with a majority of only 1,000— and Drake — where Miss Janet Fookes increased a tiny Conservative majority to 4,200 — will be substantially revamped.

The Boundary Commission's proposals would create two new constituencies. Plymouth North would be a safe Labour seat. Plymouth Central, on present calculations, would be Tory perhaps winnable by Labour.

Plymouth North would take in the huge naval dockyard which, with 16,000 employees dominates the Devonport area and indeed the character of the whole city. On the hillside rising from the high stone walls of the yard, council estates have provided a solid backbone of support for the only Labour MP in Devon and Cornwall.

Dr. Owen's popularity in this area stems not merely from his assiduousness in dealing with constituency problems, but from his strenuous opposition to unilateral disarmament.

Whilst a Minister of Defence, he persuaded the Admiralty to build three enormous glass-sided hangars for the repair of frigates and to establish a nuclear submarine base on the Hamoaze estuary.

These hangars, which Dr. Owen says he wanted "to prevent men having to work outside in the bitter cold," stand as a vast reminder of his efforts to modernise the dockyard and thus secure continuing employment in the area.

Further north, by the River Tamar, the threatened Rank-Toshiba television factory has been the scene of another long struggle by Dr. Owen to maintain at least some jobs.

Owen: his own ebullient confidence is reasonably founded.

For these reasons, as well as his reputation for being more "straight" than most politicians, Dr. Owen would be very difficult to dislodge under any banner. Even though the Plymouth North constituency party is expected to take a turn Leftwards, it would probably have adopted Dr. Owen if he had wanted the nomination.

Now, the problem for any Left-wing Labour candidate who opposed Dr. Owen would be that he might easily become identified with the Party's new stand on nuclear disarmament, decidedly not popular in a garrison town, as Mr. Michael Foot discovered when he was ousted from the Devonport seat in 1955.

More fundamentally, there is a strong tradition in the West country of voting for the candidate rather than the party and above all for moderation in all things.

As Mr. Fernley Tranter, a fork lift truck driver in the dockyard said: "If you have two boxes of apples, you take the best from each. It's the same with politics. I'm not so interested in the parties. Owen is a good man and he has done an excellent job for the area. I will vote for him."

PLYMOUTH, Devonport
1979 election result

Electorate	48,236
Owen, Dr. D. A. (Lab.)	16,545
Hughes K. (Cons.)	15,544
James M. (Lib.)	2,360
Bearesford-Walker, L. (Nat. Front)	244
Stoner R. (Ind.)	203

APPOINTMENTS

R. Henderson joins British Airways

Mr. Robert Henderson, chairman of Kleinwort, Benson, merchant bankers, has been appointed to the board of BRITISH AIRWAYS as a non-executive director.

★

Mr. Peter Cunliffe, chairman of the pharmaceuticals division of Imperial Chemical Industries, has been elected president of the ASSOCIATION OF THE BRITISH PHARMACEUTICAL INDUSTRY and will take office on April 3, succeeding Mr. David Smart. Two new vice-presidents of the ABPI will be Mr. James Diamond, chairman of the UK division of Beecham Pharmaceuticals, and Mr. Ronald Wing, chairman of Pharmacy Products (UK). Dr. Jeffrey Fryer, managing director of Ciba-Geigy pharmaceuticals division, has been re-elected for a further term as a vice-president of the association.

★

TOUCHE ROSS AND CO. states that partners Mr. Tony Betts and Mr. Brian Dawes will now be responsible for insolvency activity in the Birmingham office.

★

Mr. George F. Stewart has been appointed marketing manager of R. M. DOUGLAS CONSTRUCTION (SCOTLAND).

★

Mr. J. L. Wragg has been appointed group financial controller of RCF HOLDINGS, based at West Bromwich.

★

Mr. Michael J. C. Ward has been appointed financial director of HARRISON AND SONS (HIGH WYCOMBE). He joins the company from Syntex Pharmaceuticals.

★

Mr. P. A. Trace has been appointed a director and general manager of ROWBOTHAM TANKSHIPS.

★

Mr. A. D. Patterson has been appointed to the newly-created post of sales director of the defence division of SOFTWARE SCIENCES. He joins the company from Plessey.

★

Mr. J. M. Magowan has been appointed chairman of C.U. FIRE MARINE AND GENERAL INSURANCE COMPANY, a member of the Commercial Union Assurance group. Mr. Magowan has been on the Board of CUFM and G since 1977, and he is also chairman of the Zimbabwe Board of the Standard Bank. He succeeds the late Mr. E. R. Campbell.

★

Mr. Colin H. M. McAusland has been appointed production director for HEENAN DRIVES, a member of the Redman Heenan International group. Prior to joining the company, Mr. McAusland was manufacturing manager for BOC, Medishield.

★

Mr. Richard Lawrey has been appointed to the Board of TILLINGHAST NELSON AND WARREN, the UK subsidiary of Tillinghast Nelson and Warren Inc. of Atlanta, Georgia, to head its pensions division in London.

★

Mr. Roy Forman has been appointed marketing director of PRIVATE PATIENTS PLAN.

★

Dr. Marjorie W. Evans, an attorney and energy consultant, has been elected to the board of the NATOMAS COMPANY, San Francisco. Dr. Evans has been a member of the California Air Resources Board.

★

Mr. G. W. Garrard has been invited to join the Board of THOR CHEMICALS. Mr. Garrard has been with the company for a number of years and has been responsible for developing markets for its biocidal chemicals.

★

Dr. R. A. A. Hurst has been appointed manager of the group patents and trade marks department of THORN EMI and has also become a director of THORN EMI PATENTS. Dr. Hurst succeeds Mr. F. R. Evans, who retired from Thorn EMI but continues as a consultant on certain matters.

★

Mr. Harold J. Meyerman, Mr. Thomas M. Pope and Mr. Eugene B. Shanks have been appointed non-executive directors of London-based BANKERS TRUST INTERNATIONAL. Mr. Meyerman is a senior vice president and head of Bankers Trust Company's world corporate department for Europe, Middle East and Africa. Mr. Pope, also a senior vice president, is deputy head of the bank's world corporate department in New York. Mr. Shanks is a vice president in the resources management department in New York, due to be transferred to London next month.

★

Mr. Peter J. Dunkerley has been appointed managing director of THOMAS JOURDAN. He was formerly managing director of Aerosols International.

★

Mr. Geoffrey Richardson has been appointed finance director of HAMWORTHY ENGINEERING. Mr. Bruce Chapman, general manager of the transmissions division, has also joined the Board of the company, which is a subsidiary of Powell Duffryn. Mr. Richardson was previously with Leyland Vehicles, Bathgate.

★

Mr. Zissimos A. Frangepoulos is to take over as managing director and chief executive officer of CHEMICAL BANK INTERNATIONAL from April 1. He will also become senior officer in charge of Chemical's worldwide merchant banking activities and managing director of Chemical Asia. Mr. Frangepoulos has been with Chemical Bank since 1969 and at present heads its merchant banking group in New York. He will be based in London and succeeds Mr. John B. Hyde, who has moved to Charterhouse Japhet.

★

Mr. Peter K. Schumann, CBIL executive director, is to be deputy managing director with senior responsibility for the group's capital market activities. He will be based in New York and will control the merchant banking group there, with special emphasis on developing operations in the U.S. and Canada. Mr. Alexander S. Gibson, CBIL executive director, will also become a deputy managing director with senior responsibility for the group's syndicated lending and commercial banking. Mr. Gibson will continue to operate in London. Mr. Josephine E. Prevost, assistant director of Chemical Asia, has been made executive director and senior resident officer of that concern in Hong Kong.

★

Mr. Barry Davison, chairman of Foster Brothers Clothing Company, has been appointed chairman of the RETAIL CONSORTIUM NON-FOOD POLICY COMMITTEE in succession to Mr. Philip Carter, managing director of Littlewoods, who has resigned after three and a half years in that position.

★

Mr. W. G. Friggens, formerly group deputy chairman, has been elected chairman of F. PRATT ENGINEERING CORPORATION and Mr. S. W. Murray Threlpland has become deputy chairman and chief executive. Mr. L. M. James joins the board as a non-executive director. Mr. A. M. G. Galliers-Pratt has resigned from the board to devote more time to his other commitments, in particular outside the UK. He has been made president of the company.

★

Mr. D. J. Green is to resign from the board of TRAFALGAR HOUSE and will be leaving the company at the end of February, by mutual agreement, to return to Canada to take up a senior appointment with another group.

★

HUNTING GATE has made the following appointments on subsidiary company boards. Joining the board of Hillgate Civil Engineering are Mr. Martin Hemmings, now appointed general manager of Hunting Gate Construction; Mr. Colin Ayres, group quantity surveyor, and Mr. Derek Matthews, group financial controller. Mr. Keith Libby, managing director of Hillgate Civil Engineering, becomes a board member of Hunting Gate Construction.

★

Mr. John Ball has joined the board of TUDOR PROCESSING, the largest subsidiary of the London-based Tudor Photographic Group. He is also a director of Developrint, a member company.

★

Mr. Francis Bennett has been appointed group managing director of THOMSON BOOKS from March 30. The company is a member of the International Thomson Organisation group, of Toronto.

OVERSEAS

Mr. Charles R. Hall has been elected chairman and chief executive officer, of ROLLINS BURDICK HUNTER, Chicago, from April 1. He succeeds Mr. Adrian B. Palmer, who retires as chairman but will continue as chairman of the executive committee.

★

BRUSH WELLMAN INC., of Cleveland, Ohio, has appointed two new officers of its Beryllium Products Group. Dr. Nathan Church has been named vice-president and general manager of the alloy division and Mr. Robert Rozek has been made vice-president and general manager of the newly-created international division.

★

Mr. Nicholas C. Franklin has been appointed senior corporate counsel at FLUOR MINING AND METALS, INC., headquartered in Redwood City, California. He is at present on assignment at Fluor Mining and Metals from Fluor Corporation. Mr. Franklin joined Fluor as senior corporate counsel for Fluor Europe, London.

★

Mr. Kent M. Black has been appointed president of ROCKWELL INTERNATIONAL CORPORATION'S commercial electronics operations in Dallas. He is being elected an officer of the corporation and will serve on the management committee. Mr. Black, formerly executive vice-president of the company's defense electronics operations, succeeds Mr. Paul G. Stern, who has resigned to take up a position with another concern.

★

Mr. D. W. O'Grady, a director and former secretary of ANSBACHER AND CO., bankers, Dublin, has been appointed chairman. Mr. Gabriel J. Moloney, a director, has been made managing director, and Mr. Richard C. Graves is now secretary.

★

Mr. Edward S. Bottum, senior vice-president, has been appointed head of trust and investment services of CONTINENTAL ILLINOIS NATIONAL BANK, Chicago. He succeeds Mr. Charles R. Hall, who has resigned to become chairman and chief executive officer of Rollins Burdick Hunter.

★

Mr. Larry J. Bump has been elected chairman of WILLIAMS INTERNATIONAL GROUP, INC.—U.S., in addition to his present positions of president and chief executive officer. He succeeds Mr. Walter B. Hall, who has retired, but remains on the board.

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THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

The invasion of UK markets by importers is at least good news for advertising, where spending by importers is put at almost £400m

Imports: a bonanza for advertising

WITH IMPORT penetration levels across a swathe of categories continuing to gnaw and undermine the confidence of even the most stalwart home-based manufacturer, it seems ironic to record that one of the few sectors actually benefiting from boisterous levels of imports is the advertising business — plus, of course, the diverse media (Press and broadcast) that it nourishes and sustains.

According to the best estimate available, advertising expenditure by importers is now accounting for in excess of 30 per cent — perhaps more than 40 per cent — of total manufacturers' consumer advertising in Britain, which is itself in excess of an estimated £1bn.

This may come as scant surprise to those fully familiar with import penetration levels, but its importance to the advertising business, and thus the media, is still not fully grasped.

It is a sobering thought, but the mass invasion of UK markets as diverse as cars and electronic goods, textiles and tampons, clothing and furniture, fridges and hi-fi—"consumables" of all kinds—is surprisingly undocumented.

On the market research front, for example, very little has been done, so that in the view of Dr. Elizabeth Nelson, chairman of the Taylor Nelson group, UK manufacturers have conducted only very limited research into the underlying reasons for the importers' success. According to Dr. Nelson, three questions must be asked: What are foreign products' most attractive selling points? How do the importers direct their marketing? Has the whole foreign package a style that British manufacturers might adopt?

Even on the advertising front, the impact of importers' spending is still not fully understood, though it is a fact that most of the middle- and larger-size agencies are actively scrambling for importers' accounts.

The immediate background is the very good year for advertising that was 1980. According to provisional figures from the Advertising Association, total UK advertising revenue last year was £2.535bn, a gain in cash terms of 19 per cent. Classified fell badly, and Press display fell modestly, but television advertising last year (AA definitions) was 50 per cent higher than in 1979 at £620m —partly the result of first-quarter carry-over from the previous autumn's strike, partly a spirited last-quarter rush.

According to the AA's director of research, Mike Waterson, this was a "strangely good" performance, at least when measured against the trade cycle and the slump in profits.

Apart from the fact that the 1980 performance clearly shines in contrast with a strike-hit 1979, he suggests two other main reasons for advertising's buoyancy last year: (1) resilient, or relatively resilient, consumer expenditure, even though pre-Christmas spending in December is described by the Retail Consortium as pretty dismal; (2) advertising activity by importers.

There are numerous reasons why importers should spend relatively more heavily than their UK counterparts. First, they are venturing into new or newish territory, and must announce their presence and their products. Two, advertising is a means of compensating for immature or non-existent distribution channels. Three, the elevation of the £, which in foreign exchange terms is an incentive to importers to plough back UK profits into increased marketing expenditure so as to build market share.

It is for all these reasons that in the agency world, importer business is now vigorously clawed for.

The level of total importer spending is very difficult to quantify, but clearly mirrors sales trends. In the automobile category, advertising expenditure as measured by Media Expenditure Analysis grew from £42.7m in the 12 months to September 30, 1979, to £74.2m in the year to last September 30, and the impact of importers was all too clear. So it is across a broad range of categories.

In all likelihood, manufacturers' consumer advertising in the UK last year reached £1bn against £840m the previous year. The MCA category covers all advertising by the private sector aimed at the public, including food, clothing, auto, drink and tobacco, toiletries and medical, and household and leisure.

MANUFACTURING INDUSTRY: IMPORT PENETRATION, 1970-79

(Imports as a percentage of home demand)

	1970	1972	1974	1976	1978	1979
Food, drink and tobacco	18	17	21	19	17	17
Coal and petroleum products...	17	14	16	15	15	15
Chemicals and allied industries	18	19	27	25	29	30
Metal manufacture	19	18	24	24	24	25
Mechanical engineering	19	22	28	29	31	32
Instrument engineering	34	39	50	54	56	56
Electrical engineering	18	21	29	32	36	38
Vehicles	11	18	23	29	36	40
Metal goods	6	7	10	11	13	13
Textiles	14	19	24	26	31	33
Leather, leather goods and fur	21	24	27	30	33	40
Clothing and footwear	12	15	20	26	26	30
Bricks, pottery, glass, cement, etc.	6	5	9	8	9	10
Timber and furniture	26	24	32	28	27	29
Paper, printing and publishing	19	18	23	22	20	20
Other manufacturing industries	9	11	16	15	18	19
Total manufacturing	*16.6*	*18.2*	*23.3*	*23.1*	*24.8*	*25.8*

Source: Economic Trends.

ADVERTISING EXPENDITURE (PRESS AND TV)
(£m at constant 1975 prices)

				PRESS BY MEDIUM		
Year	TOTAL§	TV	PRESS	News-papers	Trade & Tech	Consumer
1978*	1,035	291	744	531	115	98
1979*	1,033	247	787	553	124	109
1980	1,034	311	723	515	108	100
1978						
Q1*	244	69	175	126	28	22
Q2*	263	70	194	138	30	26
Q3*	242	65	177	128	27	22
Q4*	286	88	198	139	30	29
1979						
Q1*	252	69	184	127	33	23
Q2*	286	78	208	147	32	29
Q3*	206	23	183	129	29	24
Q4*	289	77	212	150	30	32
1980						
Q1*	289	86	203	146	31	26
Q2*	268	83	185	134	27	24
Q3†	222	59*	163	115	25	23
Q4‡	255	83	172	120	25	27

* Actual. † Provisional. ‡Forecast. § Excluding production costs, directories, posters, cinema and radio.

Source: AA Forecast of Advertising Expenditure.

Given the heroic levels of importer advertising in free-spending categories like cars and household consumer durables, Mr. Waterson says that importers last year "certainly accounted for in excess of 30 per cent of the total MCA category, and it may have been 40."

What is now emerging is the belief that it is spending by importers, rather than spending by home-based manufacturers determined to maintain an aggressive marketing stance in the face of the recession, that is underpinning the advertising business at present: an important corrective, if it is in fact the case, to those patriotic souls, most of them in agencies, who have claimed in recent months that UK manufacturing learnt a painful lesson in the last recession, namely, that however rough the going, to slash advertising budgets willy-nilly is an act of the greatest corporate folly.

In the latest issue of Admap, Mr. Waterson says that having made the point that advertising expenditure is still related to the movement of basic economic variables (notably corporate profits and consumer spending), it is important to realise that other factors may be becoming more important as explanatory variables:

"The fact that display expenditure in total, and television expenditure in particular, has not acted as a leading (advertising) indicator in this recession has already been partly explained by reference to the fact that consumers' expenditure has performed differently," he says.

"However, in addition, one other factor has probably become very important. This results from the ever increasing penetration of British markets by imported goods, which has occured steadily over the past decade, combined with the very considerable increase in the value of sterling related to other currencies which has taken place in the last two years."

Although sales of durables have fallen in this recession, he says, the relationship between sales and advertising expenditure established in previous recessions has been disrupted, the substantial margins enjoyed by importers giving them a very clear edge.

In the case of cars, he says, imported makes have traditionally been more heavily advertised than home-built models, "but the strength of sterling appears to have led to a very substantially increased advertising outlay in 1980, not only increasing the importers' share of market, but also accounting for the entire real growth in advertising expenditure in the durables sector over the past two years."

If it is true that every silver cloud has a dark lining, it is to be found, in this particular case, in the fact that UK manufacturers' apparent understanding of the import phenomenon is still so sketchily based.

NEW LAUNCH A 'RISK,' SAYS TMD

Mixed views on Sunday Express magazine

EXPRESS NEWSPAPERS has high hopes of success for its Sunday Express colour magazine, the first issue of which is due on April 12. It says the magazine should boast a readership 4m greater than any rival Sunday magazine, and that advertising bookings already total more than £5m.

But there is sharp disagreement among agencies as to the attractiveness and viability of the new magazine. Young and Rubicam, for one, calls it an "intriguing proposition" for advertisers. TMD, the media specialists, questions its competitive efficiency, though McCann-Erickson says that while the magazine's run-of-paper rate for a colour page, £13,500, may frighten off some traditional colour magazine advertisers, the magazine will remain competitive on a cost-per-1,000 readers basis.

Y and R says a run-of-paper colour rate of £13,500 for the new magazine compares with £8,500 for the Sunday Times magazine, £3,900 for the Sunday Telegraph magazine, £6,000 for The Observer magazine, £15,900 for Radio Times and £13,400 (minimum) for TV Times. (The figure for the Telegraph quoted by TMD is £6,200).

At those rates, says Y and R, the Sunday Express magazine would be immediately attractive to colour supplement advertisers to whom it would offer a very large ABC1 readership.

"The idea is an intriguing proposition for advertisers," says the agency, "since it would not only offer an additional colour vehicle for middle and upmarket products, but also a means whereby the parent newspaper could redirect much of its current mono advertising into the magazine (especially the mail order element) and pave the way for the introduction of an improved editorial and advertising format."

Failure to maintain continued publication of the Sunday Times, it observes drily, "is more likely to stimulate the circulation of the Sunday Express if it can move in with a supplement of its own first."

It is this sort of thinking that has prompted TMD to describe the launch of the new magazine as a stroke of "characteristic opportunism." But it is unhappy with the run-of-paper colour rate. (It should be noted that Y&R and TMD are using somewhat different arithmetic, particularly when it comes to estimating the new magazine's likely ABC1 readership.)

On the basis of its estimate of an ABC1 readership of 4.965m for the new magazine, compared with Y&R's 4.514m, TMD says: "At such a high entry fee (£13,500) there will be few advertisers in current economic conditions with enough unplanned advertising appropriations to support the magazine, even in the possible absence of the Sunday Times magazine."

In TMD's view, Express Newspapers is taking a "big risk" launching a mass-circulation colour magazine in the midst of a recession; but it salutes its entrepreneurial spirit.

Etcetera

Mail order growth

● IN A NEW SURVEY of the UK mail order business, Mintel's Retail Intelligence finds that despite obvious effects of the recession, mail order sales still outperformed other non-food sales last year.

On an indexed basis (1976=100) it says that the value of retail sales through mail order houses rose last year from 176 to 187, whereas sales for all retailers advanced from 143 to 153.

"This spectacular growth in sales (almost 370 per cent since 1970) establishes mail order firmly as the fastest growing sector in the retail trade," it says.

Although the roots of mail order are in the North of England, says Mintel, mail order's recent growth has been based on much broader customer appeal, with one in five of all ABs regularly studying catalogues.

● CROWN PAINTS is spending more than £6m on a 1981 campaign for its Crown Plus Two DIY paint brand and the newly-acquired Relief Decorations range. This package includes a new £3m TV and Press campaign for Crown Plus Two via J. Walter Thompson, a major promotional scheme featuring Jimmy Saville, and a new £500,000 campaign and distribution system for Crown Relief Decorations.

● THE GLUT of holiday ads. on television over Christmas and the New Year has drawn cries of shame from the Television Advertising Bureau (Surveys) panel, which monitors TV commercials and awards them an "interest" score.

According to TABS, reactions ranged from "flat, boring" (Exchange Travel) to "very poor" (Sovereign). There were equally harsh words for Thomas Cook, the English Tourish Board, Laker Holidays and Ireland. TABS says that as a guide to travel firms and agencies, it has produced a special survey of the Christmas/New Year period featuring interest levels, propensity-to-buy scores, and viewers' comments and opinions. (£200 plus VAT).

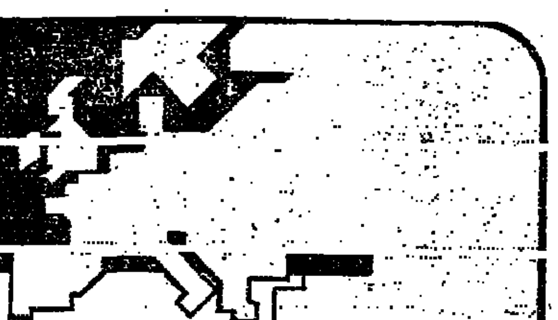
● DINERS CLUB International is about to launch a new TV campaign aimed at winning a larger share of the UK credit and charge card market. It is also intensifying its Press campaign.

● SUNBEAM ELECTRIC says it is spending the bulk of its £1m advertising budget this year in support of new products launched at the 1981 Birmingham IDEA exhibition.

● A BOOST for KMP is the gain of the Pentax camera account, expected to be worth £1m next year. Total KMP billings are said to be only just short of £20m.

International Appointments

Banking in Europe



Following the establishment of our European Division we give below a selection of our current assignments:—

- HEAD OF SHIPPING—Brussels........Negot.
- SENIOR DEPOSIT DEALER—Luxembourg........c. £20,000
- HEAD OF TREASURY (F.X.)—Paris..c. £22,000
- MARKETING OFFICER—Frankfurt..c. £12,000
- FOREIGN EXCHANGE DEALER—Luxembourg........Negot.
- EUROBOND DEALER—Frankfurt....c. £12,000
- COMMODITY SUPERVISOR—Frankfurt........c. £11,000
- GENERAL MANAGER—Frankfurt......Negot.
- HEAD OF CREDIT—Luxembourg....c. £25,000
- EUROBOND TRADER—Paris........c. £16,000
- CREDIT ANALYST—Frankfurt.......c. £13,000
- HEAD OF CREDIT—Hamburg........c. £25,000
- CREDIT OFFICER—Luxembourg....c. £12,000
- CREDIT OFFICER—Antwerp........c. £10,000
- DEPOSIT DEALER—Luxembourg.......Negot.
- LEGAL OFFICER—Luxembourg.......c. £16,000

Jonathan Wren
Banking Appointments

Please send a detailed Curriculum Vitae in confidence to Roy Webb, Jonathan Wren & Co., Ltd., European Division, 170 Bishopsgate, London EC2M 4LX. Telephone: 01-623 1266. No identities divulged without permission.

International Financial Management Opportunities
OIL INDUSTRY

Middle East and Africa — **To U.S. $40,000 + overseas benefits**

Following a period of outstanding growth, this supplier of services to the oil industry worldwide is in the process of decentralising its operations in preparation for further rapid expansion.

In order to improve the effectiveness of the finance function within the Group, an Accountant is to be appointed in each of the units in Dubai, Lagos and Tripoli. Reporting to the local Operations Managers, the successful candidates will be responsible for developing and operating fiscal and management information systems.

Candidates should be qualified accountants, in their 20's, with up to two years' post qualifying experience — either in the profession or industry. Self-confidence and highly developed inter-personal skills are essential. For candidates with mobility career prospects are excellent.

For further information please write to or telephone Liam Fitzpatrick ACMA, Douglas Llambias Associates Limited, 410 Strand, London WC2R 0NS. Tel: 01-836 9501, quoting reference 3150.

DOUGLAS LLAMBIAS DLA
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

Reading & Bates is one of the world's leading offshore drilling contractors. With more than 25 years' international experience, we currently operate a fleet of some 30 units throughout the World, backed up by a network of offices in strategic centres.

We have immediate opportunities for:

Area Administrators

who play a key role in the site management team of each major drilling operation.

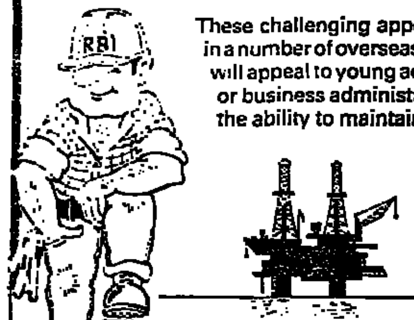
Responsible primarily for the overall administration and accounts, your duties will range through general office management to staff control, cash/wage administration, cost control and general accounting procedures.

These challenging appointments, in a number of overseas locations, will appeal to young accountants or business administrators with the ability to maintain a flexible but professional approach to their work.

Experience with an oilwell drilling contractor, oil company or other oilfield related service company is essential. Relevant qualifications to degree level preferred, although part-qualified accountants might be suitable.

We offer attractive salaries, which are foreign tax paid, plus one of the finest benefits packages in the industry.

Please send full resumé to:



The Personnel Manager,
Reading & Bates (Offshore) Ltd.,
Seymour Mews House, Seymour Mews,
London W1H 0AA.

RB READING & BATES DRILLING CO.
Drilling round the clock around the world.

CORPORATE FINANCE MANAGER
PROJECT FINANCE MANAGER
Merchant Banking–Australia

BA Australia Limited is a major Australian merchant bank and delivers a range of banking, advisory and other services to leading Australian and multinational companies operating in the region. With rapid growth of its natural resources oriented corporate finance business, additional officers are required for the management of specific account relationships within the Corporate Finance Department.

Corporate Finance Manager to play a leading role in the development and execution of new advisory briefs involving mergers, acquisitions, divestments, valuations and general financial advice. Candidates will be graduates, preferably MBA, aged 28 to 35 with at least 4 years relevant merchant banking experience.

Project Finance Manager responsible for the management of major energy and mineral project advisory and banking assignments involving both technical and financial assessments. Candidates are likely to have technical qualifications and/or resource industry experience plus financial qualifications.

The Department draws on the worldwide resources of Bank of America and works closely with the merchant banking network deployed in the major capital markets and the Project Services Group, San Francisco.

Remuneration, including car, housing assistance and relocation expenses will be negotiated depending on experience and skills. As a guide, a minimum salary of around Dollars Australian 30,000 is contemplated for both positions.

An international firm of management consultants is advising on this appointment. Please write in strict confidence to:

JWT Recruitment Ltd,
40 Berkeley Square, London W1X 6AD,
who will forward all replies to the consultants, quoting ref: S/21/FT.

BA BANK OF AMERICA

Bermuda
Training and Methods

The Bank of Bermuda – a major Bank on the island with an impressive growth record and offices in Hong Kong, Guernsey and London – is seeking a person in their late 20's or early 30's with a background (and preferably a formal qualification) in O&M, O.R. and/or systems analysis to join the Trust Operations Department. Responsibilities will include the review and development of systems and procedures, and the design and implementation of staff training programmes, in a sophisticated, highly computerised environment involving the rapid processing of large volumes of information.

A strong academic background, well-developed powers of analysis and communication and a good understanding of E.D.P. applications are essential; previous experience in banking or a similar field would clearly be an advantage. The Bank operates progressive career-development policies and a successful performer will have ample scope for advancement.

An attractive salary (tax-free in Bermuda) commensurate with experience will be enhanced by benefits such as non-contributory pension, medical coverage and free life insurance. Because of limited housing accommodation in Bermuda, preference will be given to applicants without children.

Please apply in strictest confidence, quoting Ref. No. 207/6/FT and giving essential personal and career details and telephone number, to T. C. Walker, as consultant to the Bank, at Charles Barker-Coulthard Ltd., Management Selection Consultants, 2 Tavistock Place, London WC1H 9RA. Tel: 01-278 6961.

THE BANK OF BERMUDA LIMITED

Financial Manager
Zimbabwe

The highly profitable subsidiary of a major multi-national company manufacturing quality consumer products seeks a Financial Manager to take full responsibility for all financial functions. The need is for a high-calibre qualified accountant probably in his earlier 30s; he should be independent of attitude, strong minded but at the same time flexible and able to adapt to a new and challenging environment. Previous experience of overseas employment is desirable.

The salary and conditions will be attractive.

Ref: W4995/FT.

Replies will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details with present salary and telephone number for early contact, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA
A member of PA International

INTERNATIONAL LOANS PROMOTION

£20,000-£25,000 negotiable plus benefits

Our clients, an expanding international bank with an excellent reputation, have an immediate requirement for a skilled, experienced overseas loans promoter. The successful candidate is likely to be in his/her late 20s or early 30s and capable of locating, developing, negotiating and completing loan propositions, including obtaining mandates as appropriate. Clients will include governments, central banks and major corporations worldwide, thus necessitating substantial travel. Although not essential, a working knowledge of Spanish would be an added advantage.

For further information, telephone CHRISTOPHER D. STOCK, FCIB, Manager *on 01-481 8111 or write with comprehensive details and full c.v., quoting Ref. L1728, to:—*

BANKING & ACCOUNTANCY PERSONNEL SELECTION
Lloyds Avenue House, 6 Lloyds Avenue, London EC3N 3ES. TELEPHONE: 01-481 8111.

REQUIRED
2 CHIEF DEALERS
4 FX/DEALERS
BANK OF OMAN LIMITED

Head Office: Dubai, U.A.E.
Established 1967

Bank of Oman Ltd. is one of the oldest Banks in the Gulf with Capital and Reserves $81m, Deposits $900m and total Assets exceeding $1.4 billion. 34 Branches and Subsidiaries covering 11 Countries in the World.

Simultaneously with sophisticated Computer applications, and extensive mechanisation, we are initiating or strengthening our Forex dealing rooms at London, Hong Kong and Bahrain.

We are now anxious to appoint Chief Dealers and FX Dealers probably 25/40 years of age, at present drawing salaries in excess of U.S.$30,000/- per annum with other perquisites and benefits.

Applicants please write with full career, experience and salary details, along with copy of a photograph to:—

Personnel Division,
Bank of Oman Ltd.,
Post Box No. 1250, Deira, Dubai,
United Arab Emirates.

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c£12,000 p.a. tax free

Accounts Manager
SAUDI ARABIA
International Company

Chartered accountant age 25-35 with good commercial experience and knowledge of computerisation of accounting and inventory control systems. Excellent career prospects in a rapidly expanding company. Fringe benefits include free furnished accommodation, company transport. Medical/life cover and generous leave arrangements. Single status only.

Suitably qualified candidates please phone 01-631 1444 for application form quoting MRD 1003 (24 hour answering service).

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Consultants to Management on Executive Placement since 1946.

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An International Association of Employers co-operating to provide up-dated confidential information relating to employment of expatriates and nationals, world wide.

01-637 7604

FIELD EXECUTIVE LTD.

Our clients are seeking A.C.A. Qualified Accountants to fill many overseas vacancies. A minimum two year contract will include excellent salary and benefits. Candidates should be aged 24-28, have auditing experience and are currently in the profession.

Applicants to
Field Executive Ltd, Field House, 14 Commercial Road, Swindon, Wiltshire or telephone (0793) 37773 (24 hour answering service) or (0793) 37774

INTERNATIONAL RECRUITMENT CONSULTANTS

Financial Manager
KUWAIT

A new and important post has arisen within a Contracting Company in Kuwait with an annual turnover of £20m and with 700 employees.

Responsible to the Managing Director, the Financial Manager will have as his main objective to improve and control Financial Planning. He will also deal with Contract negotiations and optimising the use of Capital Employed. Day-to-day accounting routines are under the control of a Chief Accountant.

The Financial Manager is likely to be a European and suitably qualified, aged between 33 and 40, with experience within the Contracting Industry.

Salary is negotiable in the region of £15,000 per annum plus accommodation and car.

All applications in writing with current c.v. to:

G. S. Mullis, Financial Director
SOUND ATTENUATORS LIMITED
Eastgates, Colchester Essex CO1 2TW

Foreign Exchange Manager
KUWAIT BASED

We are a leading participant in international currency markets. We are seeking an individual to be responsible for development and control of foreign exchange business for our head office. This person must have minimum three to five years' foreign exchange/administrative experience, buying and selling foreign currencies, setting retail rates, supervising and training members of trading group and developing new business. The candidate must have excellent oral, written, financial and organisational skills. The position involves approximately 10 per cent travel. We offer attractive salary and benefits package.

Please send résumé and salary history, in strict confidence, to:

Box A7427, Financial Times
10 Cannon Street, EC4P 4BY

MANAGER—DEVELOPMENT, MARKETING AND PLANNING—EUROPE

This new appointment provides an outstanding opportunity for an able and resourceful person to join the management team of a worldwide organisation in the consulting and professional services field.

The successful candidate will be based in Paris and will report to a senior director of European management. The mandate will be constantly to help in the development and implementation of marketing strategies throughout Europe for existing business and the development of plans for growth outside the current base of business. The development manager will play a major role in synthesising European and territorial short and long term marketing objectives; identifying and evaluating market opportunities; initiating appropriate research; advising on the techniques, resources and criteria necessary to attain these objectives; and monitoring these plans.

Candidates, probably aged 35 to 45, should be of graduate calibre and should be able to show depth experience of marketing in the services or consulting field across frontiers in Europe. Experience in public and press relations and the communications field in general will be valuable assets.

The ideal candidate will be fluent in English, and in one or two other major European languages. He will be used to working independently, be flexible and energetic and be willing to travel up to 50% of his time.

Starting salary negotiable from FF 200,000; other benefits. Applications will be treated in strict confidence. Interviews will be held in Paris.

Write Box A7430, Financial Times, 10 Cannon Street, EC4P 4BY.

International Appointments

Experienced Currency Deposit Brokers

Due to rapid expansion of the Group's activities, we now have openings in the Middle East for Eurocurrency Deposit Brokers with at least two years' experience. Knowledge of Middle East Markets will be an obvious advantage.

These are two-year contracts offering an exceptional overseas benefits package. Remuneration is negotiable according to experience and calibre of the individual.

To discuss these challenging opportunities further, please contact:

The Personnel Manager, CHARLES FULTON & CO. LTD.
30-40 Ludgate Hill, London EC4M 7JT. 01-248 3242

QATAR GENERAL PETROLEUM CORPORATION (QGPC)

established by the State of Qatar with responsibilities for all phases of the Petroleum Industry requires a

SHIPPING EXPERT

for its Marketing and Transportation Department.

Applicants should have a wide knowledge and varied experience in Petroleum, Gas and Petrochemical Transportation covering all aspects of shipping to include operation, chartering, international shipping law, construction, safety, freight, insurance, etc. Successful candidates should be capable to carry out independent studies and advise on latest developments. Experience in the Gulf will be of added advantage. Good knowledge of English is essential.

The post carries attractive local tax free salary and all other terms of employment are subject to negotiation. Qualified applicants should submit in confidence a resume indicating present salary and expected salary to:

Manager, Personnel & Training,
Qatar General Petroleum Corp.
P.O. Box: 3212
Doha — Qatar

UNIVERSITY OF DAR ES SALAAM TANZANIA

Applications are invited for the following posts in the Faculty of Commerce and Management:

1 SENIOR LECTURER/LECTURER IN *MARKETING* (*3 posts*). Applicants should hold a Ph.D. in Marketing and have had teaching and research experience at university level or equivalent. Those with a Masters degree with long teaching or relevant administrative experience may also be considered. The appointees will be required to teach undergraduate and postgraduate courses in Marketing and related options, undertake research and consultancy services.

2 *SENIOR LECTURER/LECTURER IN* ACCOUNTING (2 posts). Applicants should possess postgraduate qualifications in Accounting. *They should* have teaching, research and/or relevant administrative experience in Senior Management positions. Those without experience but with postgraduate qualifications will also be considered.

3 *SENIOR LECTURER/LECTURER IN* GENERAL MANAGEMENT (2 posts). Applicants should possess postgraduate qualifications in General Management and teaching experience at university or similar level. Research experience in areas of General Management will be an added advantage. Those without university teaching experience may also be considered. The appointees will teach undergraduate and postgraduates and provide management consultancy services.

4 LECTURER IN FINANCE (1 post). Applicants should have postgraduate qualifications specialising in Finance. Graduates who specialised in Finance with relevant field experience will also be *considered. Appointee will* teach courses in Finance, will be required to do research and give consultancy services to the *public.*

Salary scales: Senior Lecturer Tz.Shs. 38,580-50,760 p.a. Lecturer Tz.Shs. 31,080-37,080 *p.a.* Appointees on Expatriation Terms will be entitled to an Expatriation Allowance of 50% of their basic *salaries. (£ sterling=Tz.Shs.* 19.40). The British Government may provide salary supplementation in range £6,372-8,118 p.a. (sterling) for married appointees or £5,160-6,456 p.a. (sterling) for single appointees (reviewed annually—normally tax-free) and associated benefits.

Family passages: F.S.S.U.; biennial overseas leave.

Detailed applications (2 copies), including a curriculum vitae and naming 3 referees, should be sent to the Chief Academic Officer, University of Dar es Salaam, P.O. Box 35091, Dar es Salaam, Tanzania, to arrive no later than 26 March 1981. Applicants resident in U.K. should also send 1 copy to Inter-University Council, 90/91 Tottenham Court Road, London *W1P 0DT. Further details are available* from either address.

ACCOUNTANTS
KENYA AND UK

Kier International Limited is the worldwide civil engineering and building company within the French Kier Group.
Due to continued planned expansion we wish to recruit two qualified Accountants in the following locations:

KENYA

We require a capable administrator to head the accounting function on a recently awarded major contract.
The successful applicant will have had extensive experience of establishing and maintaining the accounts control procedures for a large international project.

UK HEAD OFFICE

The position calls for an Accountant qualified within the last two years, to take responsibility for monitoring the accounting performance of various overseas territories. Regular travel to the Carribean is envisaged.

Both positions carry realistic rewards which reflect the degree of importance attached to them, together with continuing opportunity for career progression within an international group.
Please forward comprehensive career details in the first instance to:

C. J. V. Chesterfield,
Kier International Limited.
Tempsford Hall, Sandy, Bedfordshire. Tel: 0767 40111

FK
FRENCH KIER

SENIOR SYNDICATION OFFICER
Leading Gulf Bank

Applications are invited for this Gulf-based position which carries responsibility for regional and international syndications. The Bank's portfolio is substantial and embraces government, corporate and project financing.

Candidates should have 4 to 5 years' experience of international banking, with particular emphasis on legal documentation, information memoranda and marketing of syndications.

The terms and conditions of employment are attractive and contract duration is negotiable.

Please write in complete confidence including a c.v. to Box No. A7426, Financial Times, Bracken House, 10 Cannon Street, London EC4.

Operations Manager
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Exceptional opportunity to join a well established foreign exchange and investment company. The person we seek will assume full responsibility for entire operations. Responsibilities include training and supervision of members of operations group, development of operations procedures and systems and will require the ability to work effectively with all levels of management and communicate well orally and in writing.

The ideal candidate must have at least five years' operational/managerial experience with the international operations of a major money centre or Edge act. We offer attractive salary and benefits package.

Please send resume and salary history in strict confidence to Box A7428
Financial Times, 10 Cannon Street, EC4P 4BY

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ENGLISH QUALIFIED CHARTERED ACCOUNTANT

To be employed in Nigeria. A fast growing concern in Nigeria as Chief Accountant/Financial Controller. Contract period for 3 years renewable. Remuneration 45 days paid leave, free medical treatment for self, wife and children, paid cook, furnished house, company car, attractive salary. To start immediately.

Please send full CV to Box A7424
Financial Times, 10 Cannon Street, EC4P 4BY

Financial Accountant

City c.£11,000 Mid/late 20's

Our client is a leading Merchant Bank and member of the Accepting Houses Committee.

They have a record of expansion and further growth is anticipated. They now wish to recruit a Financial Accountant who will strengthen and develop their financial accounting and competence. The main responsibilities will include:

- preparing group quarterly and annual reports.
- complementing a team providing in-house expertise on accounting, tax and VAT.
- taking sole responsibility for developing and executing specific improvements in financial systems and controls.

Emphasis is directed towards realism, a strong identification with achievement and a clear perception of business needs. Scope exists to develop a rewarding career and prospects are exciting for someone who converts ideas into results.

The succesful candidate is likely to be aged mid/late twenties, ACA or ACCA. Post-qualification experience in commerce or banking is preferable but not essential as consideration will be given to high fliers in the profession.

The starting salary indicator for this appointment is £10,000 – £12,000 per annum and the attractive package of fringe benefits is typical of City rewards including subsidised mortgage and non-contributory pension scheme.

Please write giving full details of your education, training, qualifications, experience and salary progression.

Interviews will be held in London.

JBW Deane
MCP Management Consultants
Royal Liver Building
Liverpool L3 1JH
051-227 5730

MCP
Management Computer & Personnel Consultants

Financial Accountant
TAKE REAL RESPONSIBILITY NOW
London H.Q. c. £12,000 + car

You are qualified, ambitious and looking for an opportunity to demonstrate your true potential with a view to becoming Chief Accountant of a proven leader in the expanding world of word processors, data processing equipment and mini-computers, within two years.

Naturally you will be young, probably 27 to 33, and capable of leading a team through four Managers whose responsibilities include Payroll, Bonuses, Bought Ledger and Cashiering. Not only will you earn respect and gain valuable experience, but by working at the London Headquarters of the U.K. Company — one of the major subsidiaries of an international group — you will have a unique opportunity to prove your worth to the Board. There is an in house computer, and all accounts are computerised.

Needless to say, the benefits and conditions are all that one would expect from a Major International Company. If you are interested, would like to know more, and feel you match these requirements, contact the Company's advisor, Peter S Findley, Cripps, Sears & Associates, Personnel Consultants, Burne House, 88/89 High Holborn, London, WC1V 6LH. Telephone: 01-404 5701 (24 hours). Telex: 893155.

(This post is open to both men and women.)

Cripps, Sears

ABU DHABI INVESTMENT AUTHORITY

The Authority is seeking a UK equity investment analyst to join a small team in their London office

The successful candidate is likely to have a degree or professional qualification with two years experience or more of research gained in comparable investment institutions or stockbrokers office

Remuneration, by way of salary and benefits is negotiable dependent on experience

For an application form please contact:

ABU DHABI INVESTMENT AUTHORITY
18th Floor, 99 Bishopsgate, London EC2M 3XD
Tel: 01-638-1531

TRAINEE INVESTMENT ANALYST

A recent Graduate in Economics with at least a good II/1 degree is required for specialised sector analysis in a medium sized research department. It is essential that candidates have *the ability to communicate* ideas verbally and in writing. Competitive salary, etc.
Apply in writing with full c.v. to:

P. F. McDonnell
WILLIAMS DE BROE HILL CHAPLIN & COMPANY
PINNERS HALL, AUSTIN FRIARS, LONDON EC2P 2HS

COMMODITY BROKERS

Require Executive for international client business. Fluent in German, Swiss/German, English and French. At least two years' experience, particularly *Swiss/German markets*. Age 25-30. Single. Prepared to travel.

Write with cv to Box A7418
Financial Times
10 Cannon Street, EC4P 4BY

MANAGEMENT ACCOUNTANT
AGE 27-35 LOCATION: FARNHAM, SURREY
SALARY: c£10,000 p.a.

We are a Marine and General Insurance Company, a division of Ellerman Lines Limited, with underwriting and investment offices in the City of London.

This is a new appointment, reporting to the Financial Controller, and the responsibilities will include:

★ Development and implementation of management information system

★ Analysis of performance and feed back to management

★ Cost analysis—allocation and control

★ Close liaison with financial accountant

Applicants must be qualified accountants with experience of working with and developing computer-based information systems. Knowledge of the insurance industry would be helpful but is not essential.

Please apply in confidence, enclosing a detailed c.v. to the Finance Director,

LONDON & HULL MARITIME INSURANCE CO. LTD.,
Maritime House, West Street, Farnham, Surrey, GU9 7AZ.

FINANCIAL ACCOUNTANT

We are an expanding group of companies engaged in the distribution of small engines and automotive parts both in the U.K. and on the Continent who require a qualified accountant aged 30-40 to assist and report directly to the Group Financial Controller. Candidates must have a sound commercial background.

Duties will include responsibility for the financial and management accounting functions of the U.K. trading company together with the day-to-day running of the accounts office as well as assisting in the transfer of the existing manual systems to a computer currently being installed.

Benefits include a non-contributory pension scheme following an initial trial period together with an attractive salary.

Please write in first instance to:
AUTOCAR ELECTRICAL EQUIPMENT CO. LTD.
77-85 Newington Causeway, London SE1 6BJ

TORONTO DOMINION BANK
AREA OFFICER

We are seeking an experienced international banker to provide strong support to one of our Senior Representatives. The successful applicant will be directly responsible for the preparation and evaluation of lending opportunities and country reviews as well as being directly involved in all aspects of a geographic area.

The position is demanding and requires someone who enjoys a challenge and is able to work on his/her own initiative.

An attractive salary and benefit package together with excellent career opportunities will be offered. We require a graduate between the ages of 25 and 30 with several years' banking experience in the lending field. Fluency in another European language would be an advantage.

Applications in strict confidence should be sent to:—

Manager Personnel
The Toronto-Dominion Bank
St. Helen's
1 Undershaft
London EC3A 8HU

INFORMATION CONSULTANT

FINANCIAL TIMES BUSINESS INFORMATION LIMITED provides a wide range of specialist services to industry and commerce.

The person we need will be a graduate, with knowledge and experience of management information requirements. The successful candidate will be resourceful, imaginative and have strong problem-solving ability, with above-average skills of communication and persuasion. Three years' experience in marketing and research essential.

The job involves diagnosing managements' information needs and obtaining, preparing and negotiating new assignments. Exciting opportunities also exist in developing new products and services.
Salary £10,500 p.a. plus company car.

Please apply with full c.v. to:
Susan Smith, Personnel Officer
FINANCIAL TIMES
10 Cannon Street, London EC4P 4BY

AMBITIOUS YOUNG BANKER

required for small team in City handling advances for Recognised *international merchant bank. Some experience of charged securities.* to progress to credit analysis. Likely age 20/22 years. 'A' levels and part AIB. Salary negotiable around £5,500 plus usual benefits.

In first instance, apply Box A7432, Financial Times, 10 Cannon Street, EC4P 4BY

JOBS COLUMN

Four company chiefs, three assorted others

BY MICHAEL DIXON

THERE'S no room to go carping on about anything today. The Jobs Column has been asked to land several biggish fish, and it would not do to cram them together like sardines. So let's plunge straight in.

Consultant Paul Kiernan is seeking a brace of subsidiary-company managing directors, on behalf of food industry groups. Like all the other headhunters to be mentioned later, he is unable to name his clients and so promises that any applicant who so requests will not be identified to the employer without further permission.

One of the MDs will be based in the North-west of England, and be responsible to the group's chief executive for the continuing profitability and further expansion of a company which distributes a range of specialist foods for sale through its own, scattered retail branches.

The aim is rapid growth in both sales and size. So as well as success in leading a multiple retailing operation, candidates need a practised eye for businesses and sites which are suitable for takeover, and experience of negotiating acquisitions. For support in the task of galvanising the branches, the newcomer will have to appoint two regional operations directors. The present payroll totals about 250 people.

Salary indicator is around £25,000. There is an incentive bonus and a car among the perks.

The other managing director required is for a North of England subsidiary employing 450 to 500 in manufacturing and marketing packaged food products of the higher-priced variety. This company has also been expanding quickly, and has a new plant and premises. Responsibility is to a group director.

Candidates should have headed a profit-making operation in food products or packaged consumer goods, either in charge of a division of a big concern or as chief of a separate smaller business. Thorough knowledge of financial management and budgetary control, and of production methods and quality control is wanted.

Again, Paul Kiernan quotes a salary of around £25,000. Perks include a car.

Inquiries to him at Kiernan and Co., 23 St. James's Square, London SW1A 1HE: telephone 01-839 7384.

Widgetary

NEXT on the line is someone who has built success in general management on sales and marketing work in telecommunications, computing or "data communications," who is wanted by recruiter Tim Linnell to be managing director of an eight-year-old company some way north of Oxford.

The company started by producing devices for eavesdropping on the conversations computers have with one another, so as to see that they are not confusing the facts or straying off the subject into idle binary chitchat. Later, however, the business has expanded into even more bewildering technological paraphernalia with names like modems and line drivers.

The intrinsic attractions of such wonders, mainly the brainchildren of the 35-year-old founder, have been sufficient to capture a £600,000 turnover without much marketing effort. But the company now needs someone who, while technical enough to understand what goes on in the widgets, has the managerial and business-getting skills to steer the business securely through £1.2m turnover next year to at least £3.5m by 1985.

Although profitability is good, I'm told, the planned growth will outstrip the company's cash-generating powers. So it will need to raise more capital on top of the considerable addition which the Industrial and Commercial Financial Corporation has lately made to its initial stake in the concern.

Salary indicator is £18,000 to £25,000. Other benefits include a car and the prospect of acquiring a shareholding.

Readers with the required technical background as well as the marketing and general management experience should contact Tim Linnell at CB-Linnell, 7 College Street, Nottingham NG1 5AQ; Tel. 0602 411238.

Booster

YET ANOTHER managing director is sought by headhunter Dirk Degenhart for a British group's subsidiary engaged in the distribution to industry of steel and engineers' tools and other supplies. He says the company is profitable and has steadily increased its sales over the past five years, but has not made the most of its possibilities.

Hence the need for managerial thrust in the person of someone who knows both the supplier's and customers' sides of the industrial distribution business, being at least familiar with purchasing techniques as well as experienced in marketing. Those who have personally negotiated sales at a high level will be preferred. Reporting to the group's managing director, the recruit will be based in the Midlands and have three distinct profit centres to control.

Salary indicator here is about £15,000 upwards, with a car among the other benefits.

The same headhunter also seeks a London-based leasing manager for a world-wide group's subsidiary making and supplying electronic equipment for the graphics business. Tasks include developing sales outlets by way of contracts with leasing companies in Europe and the United States, tailoring leasing schemes to suit customers' needs, and controlling credit. Much travel.

Candidates need at least five years success in comparable work, plus commercial drive tempered by caution. Second major European language and degree or suchlike in economics, banking or finance would help.

Here Mr. Degenhart's salary indicator is around £13,000. Perks include a car.

He can be contacted at Dirk Degenhart and Partners, 140 Sloane Street, London SW1X 9AY; tel. 01-730 5608 or 0341, or between 9 pm and 7 am 01-994 2157.

Export money

AMSTERDAM WILL be the base of an extensively travelling financial manager wanted by Michael Butterworth of Inbucon for the export marketing centre of an international manufacturer. The centre deals with independent distributors, government agencies and so on in 50 countries in Europe, Africa and the Middle East.

Reporting to the export marketing manager and with a dozen or so staff, the financial manager will be responsible for services including planning, pricing, analysing and reporting results, controlling credit and collecting dues (not always easy), and internal control not least of advertising budgets.

Appropriate qualification, familiarity with U.S. accounting customs, and experience of similar work covering similar zone are desired. Fluent German as well as English preferred.

Salary equivalent of about £20,000 in Britain.

Inquiries to Mr. Butterworth at 197 Knightsbridge, London SW7 1RN; tel. 01-584 6171.

Oil Refining

A PETROCHEMICAL group contracted to run an oil refinery in Saudi Arabia has asked Brian Saltzer of West One Selection (P.O. Box 4QZ, 61 Berners Street, London, W1A 4QZ; tel. 01-636 3791, telex 28604 ref. 3013) to find an operations manager. Candidates should be qualified chemical engineers with consummate experience of oil-refinery work. Age preferably over 45.

Salary around £30,000 tax-free, plus "high-grade furnished accommodation, car with driver, washing machine . . .", Mr. Saltzer says, which seems to suggest a preference for someone prepared to live bachelor-style.

Financial Director

A subsidiary of a quoted group, the company is engaged in nationwide distribution and has a turnover of £12m. It is based in the West Midlands and easily accessible to attractive residential locations.

As a Board member, there will be total responsibility for formulating and implementing agreed financial policies. The position is a new one and offers considerable scope for devising and introducing computer linked M.I.S. An accounts department with 30 staff will be controlled through the existing Group Accountant.

The position will interest a qualified accountant (male or female) who has gained at least five years' financial and management experience in road haulage, distribution and depot complexes or allied service industries. The ideal age span is 35/40.

Commencing salary c. £14,500 plus a car and benefits. Relocation expenses will be discussed, if necessary.

Please write briefly and in strict confidence in the first instance to P. J. G. Rolandi (REF: 91).

Alliance Management Consultants Ltd., 15 Borough High Street, London SE1 9SH
Tel: 01-403 0894 (24 hours)

Alliance
Management Search Division

International Audit Management

c.£20,000

B.A.T Industries is a British owned international group of companies with interests in Tobacco, Retailing, Paper, Cosmetics and Packaging. Current turnover is in excess of £7,000 millions.

The Group Internal Auditor, reporting at Main Board level, has scope extending beyond the conventional accounting field into the application and monitoring of business control systems throughout our worldwide sphere of operations.

The man or woman able to develop and implement our comprehensive control and audit philosophy will have had line management responsibility for a profit centre in addition to systems and audit management experience. Applicants should be aged over 35 with a degree and an accounting qualification or M.B.A.

Salary is negotiable and unlikely to be a limiting factor.

For further information please write to Andrew West, Recruitment and Selection Adviser, or ring 01-222 2610 and listen for details.

**B.A.T Industries Limited, Windsor House
50 Victoria Street, London SW1H 0NL**

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LIMITED

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Director of Finance

South Herts, from £25,000 + car

Our client, turnover £100 million, is a profitable UK subsidiary of a major US pharmaceutical multinational. Internal promotion has created the need for a new Director of Finance. Reporting to the Managing Director, the position will carry responsibility for the entire UK finance function and 100 accounting and EDP staff. Candidates must be graduates in their late 30's, qualified and experienced in US accounting techniques. The role calls for demonstrable corporate credibility in an international environment. The career prospects and fringe benefits are, of course, excellent.

Mrs. I.M. Brown, Ref: 19226/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, Sutherland House, 5/6 Argyll Street, LONDON, W1E 6EZ.

ASSISTANT– Legal Department

An opportunity has arisen in the Legal Department for a young graduate with good banking experience to join a major International Banking Organisation.

We are looking for a Graduate aged between 26-32, with a legal qualification and ideally the Institute of Bankers Diploma. You should have several years banking experience, preferably in a similar environment. A knowledge of French would also be useful.

Working alongside one other your duties will include drafting contracts or legal documents, advising management and clients on points of banking law and practice and liaising with Solicitors.

We can offer excellent prospects, including the chance to run our Legal Department, once you have proved yourself, a good salary and the impressive list of benefits one would expect working for a banking organisation.

D. Harden, Streets Advertising, Hulton House, 161-166 Fleet Street, London EC4A 2DN.

Streets Advertising
Recruitment Advertising Division

indicating the names of any companies to which applications should not be forwarded.

Loan Officer/Credit Analyst
Business Development Manager

Japan International Bank, a major London consortium established in 1970, are developing and expanding their activities in the syndicated market and require a Loan Officer/Credit Analyst to work on international syndicated loans and a Business Development Manager with the relevant loan experience to develop new business for the bank.

Attractive salaries and benefits are offered to the right applicants.

Please write giving full career details to Mr. D. R. Parker, Japan International Bank Limited, 107 Cheapside, London EC2V 6BR.

JIB Japan International Bank Limited

Shareholders: Fuji Bank, Mitsubishi Bank, Sumitomo Bank, Tokai Bank, Daiwa Securities, Nikko Securities, Yamaichi Securities.

STOCKBROKING SETTLEMENT MANAGER

Our client, a major firm of stockbrokers requires a Settlement Manager initially to assist, and eventually to act as deputy to, the Partner in charge of the Settlement Department.

Applications are invited from *Chartered Accountants, in their early or mid 30s,* with some relevant knowledge of a stockbroking, banking or insurance environment with a large number of clients and rapid money turnover in UK and international markets. Considerable management experience will be necessary to obtain the best results from a large clerical staff in a cyclical and demanding business.

The successful candidate would eventually be considered for promotion to Partner. The remuneration package will be negotiable and will reflect the experience of the individual and the importance of the appointment.

All replies will be forwarded direct to our client. Please indicate in a covering letter any firms to whom *you do not wish to apply.*

Please send a comprehensive career résumé, including salary history, quoting ref. 1087, to W. L. Tait

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR. 01-353 8011.

EUROBOND SALES EXECUTIVE

Our client is a leading International Bank, based in the City. In connection with the expansion of its Eurobond sales operation, it wishes to appoint a further Institutional Sales Executive.

You will be a graduate, probably aged between 25 and 30 and have had at least one year's experience of the Eurobond market, either while working for a City Stockbroker or a Merchant Bank. No great depth of knowledge of Eurobonds is required, rather a solid financial career to date and the ambition to develop further a highly successful international sales operation. Knowledge of French or German would be useful.

The remuneration consists of a very competitive five-figure salary, plus a bonus based on performance. There is also a full range of fringe benefits including an excellent housing scheme.

Please telephone or send a detailed c.v. including home telephone number in strict confidence to:
Miss Philippa Rose,
CRONE CORKILL & ASSOCIATES LTD.,
22 Wormwood Street, EC2.
Tel: 01-628 4835.

Crone Corkill
(RECRUITMENT CONSULTANTS)

North Sea Oil Exploration and Production
ACCOUNTANT

Unionoil Company of Great Britain, a subsidiary of Union Oil Company of California, requires a Qualified Accountant, preferably ACA, to join the Accounting and Finance Department at the Sunbury-on-Thames Head Office.

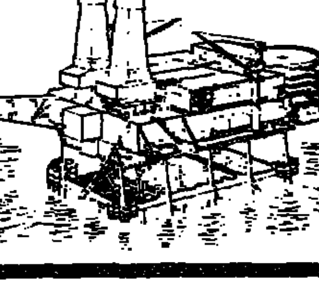
Reporting to the Senior Supervising Accountant, the successful applicant will assume responsibilities concerned with all aspects of joint venture accounting and Home Office reporting.

An attractive salary and related benefits will be provided to an aggressive, career-minded individual wishing to pursue his/her ambitions with an international oil company.

Oil-related experience, although not a requirement, would be considered an advantage.

Interested persons should respond in writing to the address below. All responses will be held in strict confidence.

*Manager, Administrative Services,
Unionoil Company of Great Britain,
32 Cadbury Road,
Sunbury-on-Thames,
Middlesex.*



UNION 76

Finance Director

Retail c£18,000

Our client, an autonomous subsidiary of a successful and expanding British based Multi-National, whose £100m retailing operation is poised for a period of further growth, is seeking a Finance Director. Joining the Company at this stage in its development presents considerable opportunities for career progression.

Reporting to the Chief Executive, the Finance Director will be responsible for Accounting, Data Processing and Administrative functions. He/she will be expected to advise Senior Management on action needed to achieve the optimum return on the Company's investment and to assist in its continued growth. Whilst the development of systems, which may include on line point of sale recording, is seen to be important, dedication to results is of paramount importance.

Candidates, probably aged between 35 and 45 will be professionally qualified Accountants. Managerially experienced in a computing function, a period spent in accountancy in fast moving multiple retailing is desirable. The ability to operate within a newly organised participative team is essential, as is the facility to communicate at all levels.

The salary package negotiable around £18,000 will include an executive car and other large company benefits. Assistance with relocation expenses will be given where appropriate.

Please write, initially, with brief details, quoting reference 1108 to Keith Phillips, as Advisor to the Company at:–

John Anderson & Associates
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

CROWN

Crown Central Petroleum Corporation
has opening for a
Managing Director
of its London subsidiary office.

Proven experience in international crude oil and products supplies/trading as well as good negotiating skills are required. Foreign travel envisaged. Salary negotiable and pension will be provided.

Application enclosing curriculum vitae, can be sent in confidence to:
Mr. J. E. Pellaton
c/o CROWN CENTRAL INTERNATIONAL (UK) LTD.
6/6 Sackville Street, Piccadilly, London W1X 1DD

MARKETING ASSISTANT

c £12,000 Age: 28-33

Capitalise on your extensive credit background by joining the marketing team of a North American Bank as 'back-up' assistant to their officer for Eastern Europe. If you are educated to degree level, and you have in-depth knowledge of credit analysis and international loan syndications, this opportunity could be your chance to really *progress into marketing!*

ACCOUNT OFFICER

£16,000-20,000 Age: late 20's

A well-established American Bank seeks to strengthen its marketing team in Europe by recruiting a fully experienced Account Officer with fluent German and current knowledge of the European markets *in particular Germany and Switzerland.* Excellent benefits reflect the importance of this role and career prospects are first class.

For further details of these and the many other senior appointments for which we are currently retained please contact, in complete confidence

MARK STEVENS — General Manager

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(RECRUITMENT CONSULTANTS)

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LENDING MANAGER to £20,000+car	Canadian bank seeks a seasoned lending banker for leading rôle in expansion of its U.K. lending portfolio. Candidates should have particular experience in marketing the lending services of an international bank in the U.K. Preferred age 30-40.
LOAN SYNDICATOR to £15,000	Senior position within commercial banking area of active London-based international bank. Emphasis is on substantial experience in negotiating and arranging loan agreements, coupled with extensive contacts in the London Syndication market. Age up to 35.
SENIOR F.X. DEALERS £12,500-15,000	Five international banks – three European, one U.S., one consortium – each seek a highly experienced F.X. dealer with an active trading background in major currencies. Age 25-35.
CORPORATE FINANCE £8-10,000	Opening in Corporate Finance Dept. of leading Accepting House for A.C.A., aged 25-29. Candidates should additionally have a good degree.
INVESTMENT/ RESEARCH ANALYST c. £10,000	Powerful London-based international merchant bank seeks an experienced Analyst in Fixed Interest Securities. The ideal candidate, aged 25-32, would have a degree in Maths, Statistics or Economics.
CREDIT ANALYSIS/ LOAN ADMIN c. £10,000	Substantial experience in both credit analysis and Eurocurrency loan administration required for all-round credit/loans rôle with small but prestigious London merchant banking arm of major continental bank. Age 25-32.

For further details, please telephone Richard Meredith or Paul Trumble

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

BEARDSLEY BISHOP ESCOMBE

Tunbridge Wells Branch

A vacancy exists for a young assistant, to work closely with resident members, in connection with expanding private client business. The successful candidate will either be a Member of the Stock Exchange or have an intention of passing the examinations. A thorough working knowledge of Stock Exchange procedure is essential. Interviews can be arranged either in London or Tunbridge Wells.

*Write in full confidence to The Staff Partner at
16 Mount Ephraim Road, Tunbridge Wells, Kent TN1 1EE*

CAMBRIDGE APPOINTMENTS

Positions available

Dividend Clerk, international or U.K. £7,000 plus bonus
Rights Person, foreign or U.K. £6,500 plus bonus
Overseas Settlements, dealing with Japanese securities. £5,500 plus bonus
Junior Contracts Clerk, centre file system £4,000 plus bonus
Junior Bought and Sold Transfers, registrations and certificates. To £4,500 plus bonus

Applicants available

SD/2 Manager (rights and dividends, U.K. and foreign)
SD/3 Senior Securities New Issue Clerk
SD/4 Manager (general office)
SD/21 Assistant Bond Dealer
SD/31 North American/Canadian Dealer
SD/23 Assistant Investment Manager
SD/24 Private Clients Account Executive

for further details ring Stephen Dopson
01 623 0101 (Rec. Con.)

A Call to School-leavers of 1981

HAVE YOU THOUGHT OF BECOMING A NEWS JOURNALIST?

Would you be good at finding out news and reporting? Interviewing people about the oddities of life and serious public issues? It means also such jobs as covering council meetings and law courts—and maybe sports events.

One way into training for this work—if you have the right aptitude—is to attend a one-year course, followed by 2½-years indenture to a provincial newspaper.

If you are likely to have two 'A' levels and will be under 20 on September 1st, 1981, write for an application form, enclosing a 9 inch by 4 inch stamped and addressed envelope, for the Newspaper Journalism course starting that month, to the industry's own training organisation.

THE NATIONAL COUNCIL FOR THE TRAINING OF JOURNALISTS
Carlton House, Hemnall Street, Epping, Essex CM16 4NL.

Similar courses are also available in Press Photography and Periodical *Journalism.*

New Business Executive

INDUSTRIAL HIRE PURCHASE

Atlas Hire Purchase Limited, a member of the Grindlays Bank Group, will shortly be expanding its operations in the London office and requires an Assistant *Regional Manager whose responsibilities will focus on new business development.*

The Company provides financing mainly for capital intensive projects, such as plant and machinery, commercial vehicles and car fleets. The Executive will have profit centre responsibility for the establishment and development of business in the South of England. Candidates, men or women aged 28 to 38, should, therefore, have wide contacts at senior level, be self-starters and have highly successful careers to date in a new business capacity with a national Finance House. They should preferably be professionally qualified in either accountancy or banking and must be able to introduce substantial, good quality, non-consumer hire purchase business.

A five figure salary is offered, together with company car and other benefits including a subsidised mortgage and non-contributory pension scheme. Prospects are excellent.

Please send details of age, education, past experience and present salary to: **Robin Gregory, Manager U.K. Appointments, Grindlays Bank Limited, 36 Fenchurch Street, London EC3P 3AS.**

Grindlays Bank Limited

Corporate Planning Manager

The Rank Organisation is a leading leisure group as well as an important manufacturer and supplier of consumer and industrial products to world markets. Turnover is approximately £600 million and some 35,000 are employed worldwide.

An experienced Corporate Planning Manager is required to head up the Corporate Business Planning function. He or she will additionally be responsible for assisting subsidiary Company managements in the development of planning procedures, and the establishment of the economic and financial assumptions within which business plans are developed.

Applicants should preferably be business graduates with some years' experience at a senior level within the Corporate Planning Dept. of a major international company. Acquisition and joint venture experience would be an added advantage. Preferred age under 45.

Starting salary will reflect the importance of this appointment. A car is provided together with contributory pension etc.

Applications, giving full details of career to date should be sent to:

The Personnel Controller, The Rank Organisation, 11 Hill Street, London W1X 8AE.

The Rank Organisation

Account Executives
Mayfair

Merrill Lynch, a world leader in the international financial services field, will soon launch its second West End sales office in the heart of Mayfair and has several openings there for Account Executives.

Ideally, candidates for these positions will be *NYSE-registered and have had experience dealing* in the U.S. and international stock markets, commodity futures, eurobonds, options, international real estate investments or other financial services offered by Merrill Lynch. Professional training in London and New York will be provided, however, and people in their *mid - 20's to 30's*, probably with a good degree and with proven records of success in finance or in a sales or marketing environment will also be considered.

Starting salary will be related to experience and expertise, and the total remuneration package will be determined by your own efforts and ultimate results. *If* you are ambitious, and seek professional challenge and rewards, please send full details of your background in strict confidence to:

Nigel T. Carter, Recruitment Officer,
Merrill Lynch, Pierce, Fenner & Smith Ltd.,
25 Davies Street, London W.1.

Merrill Lynch

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We need a Financial Controller to set up and run our accounting function.

This function will be key in both our present financial operation and in our future planned move into overseas markets.

The candidate needs to be between thirty and forty years of age and have agency or industry related experience.

A very competitive remuneration package is available.

Please write, with a copy of your curriculum vitae, to David Foster, Financial Director, Grandfield Rork Collins & Partners, 20 Greek Street, London W1. Or telephone 01 437 9457.

Godsell & Company Limited

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Joint Managing Director
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London EC3M 4AQ
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Central London around £16,000

A leading international management consulting firm seeks a specialist to head its recruitment service for clients. He or she will manage a small team and handle multi-disciplinary assignments in a demanding and professional environment.

Candidates must have recent management recruitment experience gained either in a selection consultancy or within personnel management. A degree or professional qualification is desirable. Broad personnel experience would also be welcomed and could offer personal prospects beyond the recruitment operation. Minimum age—30.

For a full job description write in confidence to John Courtis at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting 7071/FT. Both men and women may apply.

John Courtis ...and Partners...

Group Accountant

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Jackson Associates is an expanding computer services company supplying bureau services, hardware and advanced software. Established in 1973, turnover has grown to £2.2 million in 1980 and profitability has increased each year. Further substantial growth is planned in 1981 including development into the United States.

An ambitious and energetic accountant is needed to take responsibility for the whole group accounting function. They will be expected to play a role in management decision making and to assist and understand the Financial Director. Significant career development can be expected.

The person appointed will probably be around 30, and well qualified. Energy and enthusiasm are at least as important a requirement as technical ability.

Jackson Associates

Apply to Christopher Rengert FCA, Financial Director at 44/45 West Street, Chichester, West Sussex, PO19 1RP. Telephone Chichester 787721.

CREDIT INSURANCE AND SURETY—GUARANTEE

We are underwriters of Credit Insurance and Surety-type Bonds and Guarantees—mainly for British Industry.

We wish to supplement our specialised team of executives with people, in their early 30s, whose experience in Industry, Commerce or the Public Sector is relevant to our business and who can contribute to our planned expansion.

Our requirements, in educational background and personal qualities of applicants, are of a high standard. In return we offer interesting and varied employment with real prospects for advancement.

The importance we attach to the appointments will be reflected in the salary and other benefits we offer—including mortgage facilities.

Full curriculum vitae, naturally in confidence, to:

V. J. Fowler, Managing Director

Credit and Guarantee Insurance Company Limited
Colonial House, Mincing Lane, London EC3R 7PN

WANTED

EXECUTIVE

Age 35 with extensive sales experience after managing his own Import/Export business, is looking for a permanent position with a London-based company wishing to expand their export market. Ready to learn any product and organise sales in U.S.A., Far East, Latin America and South Africa where he has excellent business contacts. Please write Box A.7453, Financial Times, 10 Cannon Street, EC4P 4BY.

Loans Manager

£13-15,000 neg

Must be totally versatile in all aspects of credits, including analysis, administration, authorisation, syndication, systems, etc. Excellent prospects in an expanding Bank. (L1729)

Assistant Accountant

c £9,500

Not necessarily qualified, a capable Accountant is required, with some stock exchange experience. Predominantly Financial Partnership Accounting. (L1725)

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BANKING & ACCOUNTANCY PERSONNEL SELECTION
Lloyds Avenue House, 6 Lloyds Avenue, London EC3N 3ES. TELEPHONE 01-481 8111.

ACCOUNTANT
MERCHANT BANK

A P Bank seeks a young, qualified accountant, preferably with banking experience to join its accounting team. The successful applicant will be involved in the preparation of internal and external financial reports, management information and special investigations.

Initial salary will be according to qualifications and experience and the appointment will carry the customary other benefits.

Please write in confidence with full c.v. to:

Mr. A. R. Merchant,
A P BANK LIMITED
21 Great Winchester Street,
London EC2N 2HH

Marketing

Electronic Sub-Systems — UK Based

Director £25,000 p.a. — Manager £16,000 p.a.

Our client, a £100m international business leader, have retained us to search for two professionals (male or female) of exceptional ability.

If your background is marketing in the electronics industry, for the senior position General Management experience will also be looked for, then I invite you to telephone me on my private line 01-204 0862 (08.00–21.00 hrs), to establish the basis for a confidential meeting:

Trevor B. Lee, *Managing Director*, Executive Projects Limited, 1 Garrick House, Carrington Street, London W1Y 7LF

FINANCIAL DIRECTOR

SURREY £15,000 & Car + Bonus

A qualified accountant with financial management abilities and proven experience is required as Controller to assume total responsibility of accounting, planning and management information functions of a UK subsidiary of a major U.S. capital equipment manufacturing corporation.

The candidate, preferably aged 33-38, will be required to exercise commercial and financial judgement and become significantly involved in all aspects of the business. Experience in foreign exchange and treasury requirements as well as U.S. accounting practices is highly desirable.

Applicants are expected to demonstrate a high level of profit awareness combined with communication and motivation skills.

Send Curriculum Vitae to:

Managing Director
Joy Process Equipment Limited
Capitol House, 2 Church Street
Epsom, Surrey KT17 4NY

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We have an acknowledged standing in the employment market and an outstanding track record of *success. That's why we're confident that* after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

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Elizabeth Hse, Suffolk St, Queensway, BIRMINGHAM 021-643 2924

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LOMBARD

Keeping track of U.S. money

BY DAVID LASCELLES IN NEW YORK

IF BRITAIN has a tough time keeping track of its money supply, consider the plight of Americans who are served up with no less than seven different money supply definitions, some of which come out not monthly but weekly. Small wonder that people want to know if there is a short cut through this torrent of statistics.

There may be, but it depends on what you look to the statistics for. The wide definitions tell you something about broad monetary trends but little about the shifts in purchasing power which can have a profound effect on economic activity. The narrow ones (like the widely followed weekly M-1A and M-1B) give a better idea of how much readily spendable money there is around. But they are so volatile that one week's figures are usually meaningless.

Inflation

But anyone looking for clues about the economy and inflation (which is most of us) could do worse than keep an eye on M-1B.

This measure consists of currency in circulation, plus current accounts at banks including the so-called NOW accounts which are really no more than interest-paying current accounts. The weakness of M-1B is that it does not include the new-fangled money market mutual funds which currently contain $75bn, in readily withdrawable cash. (For that you have to go to M-2 which is only collated once a month.) But if interest rates go down again these funds could shrink as fast as they grew.

One of M-1B's biggest champions is Mr. Robert Weintraub, a Congressional economist and avowed monetarist who has closely researched American spending habits and believes this definition best represents what he calls "The abode of purchasing power."

In a recent study Mr. Weintraub delved back to the 1950s and found a strikingly close parallel between the growth of M-1B and inflation—as measured by the GNP deflator, which most economists consider to be a better guide to price changes than the consumer price index.

The parallel is not simultaneous, of course. According to well-established monetarist principles, Mr. Weintraub is able to show that on average a fluctuation in M-1B produces an echo in the deflator after a lag of about two years. But the connection is close enough for him to have made some pretty confident predictions about where the U.S. economy is heading.

The connection occurs in three stages. If M-1B rises, part of the increase in purchasing power goes into financial assets, and interest rates go down. This leads, in the second stage, to an increase in economic activity, which eventually begins to push interest rates back up again. In the third stage the gradual heating of the economy starts pushing prices up, too, and inflation increases, completing the link.

This link has been particularly noticeable the more volatile the change in M-1B has become, starting in the early 1970s. Mr. Weintraub's charts show that the surge in money supply in 1970 produced the sharp increase in inflation during the Nixon Administration which led to price controls in 1972. Similarly, he maintains that the high inflation of the past two years is due to the Fed's failure to rein in M-1B in the early Carter years.

Experience

But perhaps the most significant message in the study is what it says about the immediate outlook. If the theory holds the Fed's success in reining in money supply growth in the last 12 months bodes well for inflation a year or two out. The Reagan Administration may reap a sweet Carter harvest.

Nor has Mr. Weintraub confined himself to the U.S. Like many American economists he is fascinated by Britain's experience under the Thatcher Government. The British equivalent to M-1B, he believes, is M-1 and on that basis he is full of optimism. He suspects that the Tories may already have won the battle, "but no one knows it yet," and he sees British inflation declining to a 5 per cent annual rate by the middle of this year.

Fighting for the free movement of goods

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

PATENTS, TRADEMARKS and copyright will never be the same. The European Court in Luxembourg has already obliged many people to give up concepts derived from conventional national legislation on this subject. They have learned, often at substantial cost, that though the EEC Treaty guarantees industrial property rights, it does not allow them to be used in a way which conflicts with the competition rules or tends to divide the Common Market into national markets where different prices could be charged.

A few years ago it seemed that the European Court said everything it could on this subject. But now a new wave of cases is reaching Luxembourg, and the results show that the court has lost none of its vigour.

One case of particular interest which reached the court before Christmas, was referred from Holland and concerns compulsory licences for pharmaceutical products granted under UK legislation.* The contested product is frusemide, a diuretic, for which Hoechst, the German pharmaceutical and chemical company, holds patents both in the Netherlands and in the UK. However, a compulsory licence was granted in the UK, against Hoechst's will, to DDSA Pharmaceuticals.

It is a condition of the licence that the licensee shall neither export the product from the UK nor sell it to others whose intention to export is known to him. However, a Dutch importer of pharmaceutical products, Pharmon BV, succeeded in buying the product in England, presumably at a lower price than that at which it is available in the Netherlands; the consignment is still in a warehouse in Rotterdam because Hoechst obtained from a Dutch court an injunction restraining Pharmon from distributing the drug in the Netherlands.

The next step was that Pharmon applied to the District Court of Rotterdam, asking for the injunction to be lifted, and for damages for the loss it suffered as a result of the injunction. It argues that DDSA Pharmaceuticals, the holders of the compulsory licence, put the product lawfully into circulation in the UK and that any attempt to stop its import into the Netherlands is tantamount to an abuse of Hoechst's Dutch patent, and to a prohibited partitioning of the Common Market.

The European Court has, of course, dealt several times with such parallel imports and has always decided in favour of the parallel importer. In one of the leading cases†, it held that a derogation of the principles of free movement of goods was not justified if the product was "lawfully brought on to the market by the patent owner or with his consent." But does a compulsory licence substitute for a consent of the patent owner? This is the difficult question which the European Court has now been asked to answer.

The European Court may soon receive a reference from the High Court in London concerning a design copyright dispute between British Leyland and TI Silencers, reported here on January 22. But the European Court already has on its list a reference from the British Court of Appeal concerning the use of UK copyright to stop imports of gramophone records, lawfully made and sold in Portugal, by licensees of the copyright owner. The dispute‡ concerns gramophone records and cassettes entitled "Spirits Having Flown," licensed by the Deutsche Grammophon Gesellschaft to Polydor and RSO Records in the UK. However, these works were imported into the UK from Canada and Portugal by Simons Records, and were retailed by Harlequin record shops.

It is in respect of the Portuguese records and cassettes that the case became so interesting. Polydor asked for an injunction which would stop the infringement of their UK copyright. Harlequin and Simons answered with a European defence: they claim that an agreement concluded between the EEC and Portugal on July 22, 1972 and enacted by an EEC Regulation of December 19, 1972, prohibits quantitative restrictions on imports and measures having equivalent effect. The importers claim that it has been established by the European Court that such use of copyright to prevent parallel imports is "a measure having equivalent effect."

Still within the realms of music, we now have the benefit of the European Court's judgment in the GEMA case (55, 57/80) reported here on December 4, 1980. A sort of statutory licence enables UK record manufacturers to reproduce works already recorded once, on condition that they pay the author the minimum royalty of 6.25 per cent. In Germany and most continental countries the royalty is 8 per cent. GEMA, the German performing rights association, tried to collect on records imported from the UK the difference of 1.75 per cent. In his Opinion, Advocate General J-P Warner (who will be returning to London's High Court as a Chancery Judge on March 2), held that GEMA should be allowed to collect the difference between royalties actually paid in the UK and royalties that could have been negotiated in the UK in the absence of a statutory limit.

However, the European Court would have none of this. On January 20 it took the view, already expressed in earlier judgments, that a distortion of competition by statutory measures can provide no justification for the infringement of the rules concerning free circulation of goods by private parties. GEMA should not be allowed to collect anything on records for which a royalty had already been paid in the UK.

Two days later, on January 22, the European Court struck another blow for the free circulation of goods in the Common Market. The occasion was a dispute between Imerco, a Danish wholesaler of hardware, and Dansk Supermarked (Case 58/80) concerning a set of ceramic crockery manufactured by James Broadhurst and Sons in the UK. It was a set manufactured specially for Imerco to mark its 50th anniversary. It bore an appropriate inscription and was decorated with pictures of Danish castles. Because of the special promotional intention, Imerco imposed strict quality requirements on the product. This left Broadhurst with about 1,000 substandard sets which it was allowed to sell to other customers, but not in Scandinavian countries. In fact some were sold in the UK on condition that they would not be exported to Denmark.

Three hundred of these sets were bought in the UK by an intermediary and shipped to Dansk Supermarked, which put them on sale in its stores. Against this Imerco obtained an injunction under Danish law No. 297 of 1974 prohibiting among other things, behaviour contrary to fair commercial practice, and the use of brands and other distinctive signs not belonging to the trader. Dansk Supermarked appealed, and the Danish Supreme Court referred the case to Luxembourg asking whether EEC law precludes the application in this case of Danish law concerning copyright, trademarks and fair trading practices.

The European Court delivered a Solomon's judgment: imports of goods lawfully bought in another member state must not be qualified as unfair competition but that does not exclude the possibility of taking steps against unfair competition if this results from circumstances independent of import. But, said the judges, lifting a finger, a private agreement prohibiting import is no basis for saying that the distribution amounted to unfair trading.

* *European Court, 271/80.* † *Centrafarm v Sterling Drug 15/74.* ‡ *Polydor v Harlequin 270/80.*

Take a chance with Birkholm

RACING

BY DOMINIC WIGAN

TODAY'S two feature events over fences, the Ely Chase at Huntingdon and the Challenge Cup at Wincanton have attracted only three runners each. Nevertheless few would claim they are anything but interesting.

In the Midlands race, Wayward Lad, already being talked about as a leading 1982 Cheltenham Gold Cup prospect—will be out to reinforce that belief against Dancing Brig and Havanus. Artifice and Stopped should provide an absorbing match for the Challenge Cup.

It will be fascinating to see if Wayward Lad can put in as outstanding a display of jumping as he did at Ayr last month. There he was always clearing his fences far too fluently for Royal Dipper odds-on runner-up. He won as he pleased from the Irish challenger.

He is a six-year-old of infinite promise and is not being hurried by Michael Dickinson, his trainer. He should prove far too speedy for Havanus, another bold jumper.

Stopped, who is now far easier to restrain, is a specialist two miler. I expect him to have too much pace for Artifice at Wincanton.

Backers at Huntingdon could do well to take the chance with the seven-year-old Birkholm in the Glatton Handicap Hurdle despite the fact that he lines up for the two miles event after having been unplaced in his last six races.

He showed signs of returning to form at Kempton on Boxing Day.

For Auction continues to attract heavy support to win the Schweppes Hurdle at Newbury on Saturday despite that odds-on defeat when he finished third, seven lengths behind The Very Thing at Leopardstown on January 10. The bulk of the money for Ireland's leading challenger for the race is being placed by shrewd backers, according to the bookmakers.

For Auction is a 16-1 chance and will be trying to win the event for his trainer, Michael Cunningham, who sent out Irish Fashion to justify a big plunge five years ago. Then Irish Fashion proved the pick of 29 runners at 16-1.

HUNTINGDON
1.30—Birkholm***
2.00—Royal Stuart
2.30—Glamour Show
3.00—Wayward Lad
3.30—Roadhead
4.00—Charter Flight

WINCANTON
1.45—The Goldstone**
2.15—Stopped
3.45—Pintlochry*

TV/Radio

† Indicates programme in black and white

BBC 1

9.00 am For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45 Bod. 2.00 You and Me. 2.15 For Schools, Colleges. 3.00 Claire Rayner's Casebook. 3.53 Regional News for England (except London). 3.55 Play School (as BBC 2 1.00 am). 4.20 Touché Turtle. 4.25 Jackanory. 4.40 Scooby and Scrappy Doo. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 The Perishers.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
7.00 Tomorrow's World.
7.25 Top of the Pops.
8.05 Wildlife on One.
8.30 Partners.
9.00 News.
9.25 "Malice Aforethought."
10.20 Question Time.
11.18 News Headlines.
11.20 Kojak.

All Regions as BBC 1 except as follows:—

BBC Cymru/Wales—10 10-10.30 am I Ysgolion. 2.15-2.55 pm I Ysgolion: Ffenestri. 5.55-6.20 Wales Today. 7.00-7.25 Heddiw. 12.10 am News and Weather for Wales.

Scotland—10.10-10.30 am For Schools (Around Scotland). 12.40-12.45 pm The Scottish News. 3.25-3.55 The Afternoon Show. 5.55-6.20 Reporting Scotland. 8.30-9.00 The Current Account Report. 12.10 am News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 9.25 You and Your Rights. 9.55 Sportsweek. 11.20 Malice Aforethought, part 1. 12.12 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North-West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

11.00 a.m. Play School
4.00-5.15 pm Open University.
†5.40 Charlie Chaplin in "The Immigrant."
†6.15 Music-hall Greats: "The Show Goes On," starring Gracie Fields.
7.40 Cartoon Two.
7.45 Mid-evening News.
8.00 Writers and Places.
8.30 Russell Harty from the United States.
9.00 The Little World of Don Camillo.
9.30 Man Alive.
10.20 The Mike Harding Show.
10.50 Newsnight.

LONDON

9.30 am Schools Programmes. 12.00 Gideon. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 Fallen Hero. 3.45 In Loving Memory. 4.15 Dr Snuggles. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Charlie's Angels.
7.30 The Jim Davidson Show.
8.00 Bognor.
8.30 TV Eye.
9.00 Hill Street Blues.
10.00 News.
10.30 Thames Report.
11.00 Camera.
11.30 Three's Company.
12.00 What the Papers Say.
12.15 am Close: "Sit Up and Listen" with Jeremy Lloyd.

All IBA Regions as London except at the following times:—

ANGLIA

9.15 am Jobline (guide to work availability in East Anglia). 1.20 pm Anglia News. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Bygones. 10.30 Heritage For Sale. 11.30 Kate Loves a Mystery. 12.25 am Christians in Action.

ATV

1.20 pm ATV News. 3.45 Life Begins at Forty. 4.20 Vic the Viking. 4.50 Little House on the Prairie. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today 7.00 Emmerdale Farm. 10.30 Here and Now. 11.30 ATV News. 11.35 Lou Grant.

BORDER

1.20 pm Border News. 4.20 Salvage 1. 5.15 The New Fred and Barney Show. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Benson. 11.00 It's a Musical World. 11.50 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 6.00 Channel Report. 6.35 Crossroads. 7.00 Survival. 10.28 Channel Late News. 10.35 Unforgettable. 11.30 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 4.20 Salvage 1. 5.10 Police News. 5.15 Emmerdale Farm. 6.00 North Tonight. 6.35 Crossroads. 7.00 The Electric Theatre Show. 10.30 Cover To Cover. 11.30 Paris. 12.25 am North Headlines.

GRANADA

1.20 pm Granada Reports. †4.20 Movie Matinee: "Bud Abbott And Lou Costello in Hollywood." 6.00 Granada Reports. 6.25 This Is Your Right. 6.30 Crossroads. 7.00 Emmerdale Farm. 10.30 Benson. 11.30 What the Papers Say, presented by Nicholas Owen of "Now!" magazine. 11.50 Paris.

HTV

1.20 pm HTV News. 5.10 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Happy Days. 7.00 Emmerdale Farm. 10.28 HTV News. 10.35 Your Chance. 11.05 SWAT.

HTV Cymru/Wales—As HTV West except: 9.30-9.45 am About Wales. 12.00-12.10 pm Owain A'r Olion. 4.15 Hiawatha. 4.20 Take a Chance. 4.45 Sêr. 5.10-5.20 Cartoon. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.35 Impromptu. 11.20-12.15 am SWAT.

SCOTTISH

1.20 pm News Headlines and Road Weather Report. 3.45 Life Begins at Forty. 5.15 Tales of Crime. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Action Line. 6.30 Sounds Gaelic. 7.00 Emmerdale Farm. 10.30 In Concert: Mike Oldfield. 11.30 Late Call. 11.40 Lou Grant.

SOUTHERN

1.20 pm Southern News. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 Your Westminster. 11.30 Paris by Night.

TYNE TEES

9.20 am The Good Word 9.25 North-East News. 1.20 pm North-East News and Lookaround. 3.45 Father, Dear Father. 4.20 The Fantastic Four. 4.45 Tarzan. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm 10.00 North-East News. 10.32 Northern Scene. 11.00 Come In, If You Can Get In. 11.30 Soap. 12.00 Way of the Cross.

ULSTER

1.20 pm Lunchtime. 3.45 Life Begins at Forty. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm 10.29 Ulster Weather. 10.30 Counterpoint. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 6.35 Crossroads. 7.00 Survival. 10.32 Westward Late News. 10.35 Unforgettable. 11.30 Faith For Life. 11.35 West Country Weather, Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 3.45 Country Calendar. 4.20 Fantastic Four. 4.45 Little House On The Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 With A Little Help. 11.30 Unforgettable.

(S) Stereophonic broadcast
‡ Medium Wave

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.32 Dave Lee Travis. 4.32 Steve Wright. 7.00 Wheels with Dave Lee Travis. 8.00 Richard Skinner. 10.02-12.00 John Peel (S).

RADIO 2

[illegible]

RADIO 3

[illegible] ... theorbo and organistrum in a recital of German songs from the 13th to 18th centuries. 3.30 Louis-Philippe Pelletier piano recital (S). 4.05 Violin Music in the Renaissance (talk by Denis Stevens). 4.55 News. 5.00 Mainly For Pleasure (S). 7.00 Talking About Music (S). 7.30 "The Joking Habit," play by David Cregan (S). 8.30 Songs of Villa-Lobos (S). 8.50 Angels With [illegible]

RADIO 4

[illegible] ... Time For Verse: Elizabeth Barrett Browning. 7.30 Concert From Lancaster, part 1: Schumann (S). 8.05 Two Steps to Takamatsu (talk by Leslie Gardiner). 8.25 Concert from Lancaster, part 2: Bruckner (S). 9.35 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

[illegible]

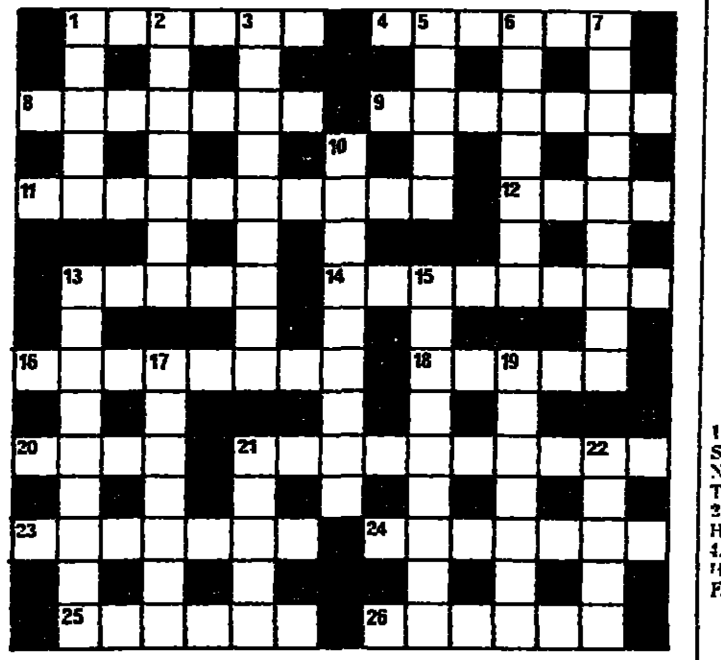
London Broadcasting

[illegible]

Capital Radio

[illegible]

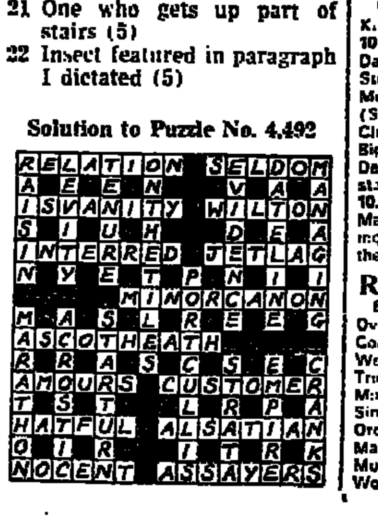
F.T. CROSSWORD PUZZLE No. 4,493



ACROSS
1 Collided with vehicle from the south (6)
4 Horrified at surrounding one gas in another (6)
8 Possesses footwear used in grass (7)
9 Tramp getting state allowance (7)
11 Dispose of assets—as the butcher does? (4, 6)
12 Bashful about start of paragraph in newspaper article (4)
13 Quiet listener is cut off (5)
14 Poisonous alkaloid turned into nice concoction (8)
16 Concentrate a surgical dressing (8)
18 Calm everybody with a word of approval (5)
20 Check crockery returned (4)
21 Seriously intend to be very stingy (6, 4)
23 Somewhat beautiful? Pretty well! (7)
24 Associate with eastern leader and ambassador's assistant (7)
25 Relish joining soldiers in splendour (6)
26 Joined followers of many football clubs (6)

DOWN
1 Room occupied by aeronauts (5)
2 Determine to separate into components (7)
3 Toy bird on mount (9)
5 Note girl in mirror (5)
6 Mixed it with copra and fruit (7)
7 Very cheap—now 4 per cent less than a farthing each (3, 1, 5)
10 Imposing bang one may strive for in bridge (5, 4)
13 Deficiency—just a little drop (9)
15 Burn French article to beat impostor (9)
17 Father gets mixed syrup and old writing material (7)
19 Thrash young animal on a thoroughfare (7)
21 One who gets up part of stairs (5)
22 Insect featured in paragraph I dictated (5)

Solution to Puzzle No. 4,492



ENTERTAINMENT GUIDE

OPERA & BALLET

[illegible]

THEATRES

[illegible]

CINEMAS

[illegible]

ART GALLERIES

[illegible]

CLUBS

[illegible]

EXHIBITIONS

[illegible]

THE ARTS

Thorndike, Leatherhead

Knuckle

by MICHAEL COVENEY

David Hare's Chandleresque thriller, set in darkest Surrey, turns up on home territory in an excellent revival by Robert Walker. In 1974, with Edward Fox and Kate Nelligan in the lead roles, this was a timely, acidic view of England in the grip of Poulson, its inhabitants the spiritual children of John Bloom, Harry Hyams and Jack Cotton. Curly Delafield, an arms-dealing sleuth who models himself on Philip Marlowe but is in fact a suburban ancestor of BBC-TV's Eddie Shoestring, has arrived in Guildford from Los Angeles to find out what happened to his missing sister, Sarah.

In the Shadow of the Moon club, Guildford's one remaining club, he encounters Jenny ...lbur, one of Hare's brilliantly conceived hard-edged ladies through whose testimony we piece together a comprehensive picture of the suicidal young nurse. Sarah was happy once in 55. Since then, she has been driven to a state of critical withdrawal by her father's City shenanigans and the fantasised underworld of the club's manager.

If the play's impact today is partly that of a period piece, it still stands up as an extraordinarily adroit and very funny ...nical exercise. And on this occasion, more: John Price as Curly attacks the part with real ...r, especially in the scenes with his father (David Garth), a civilised city slicker who makes money by day and reads Henry James by night. Curly's filial loyalties, such as they are, receive a comically devastating blow on discovering the attractive middle-aged housekeeper (Eileen Page) stripped for action in her underwear, coyly *equipped with her knitting.*

Lynn Dearth as the siren Jenny manages the colliding styles of the writing with great poise. The production is worth seeing just for her account of being manhandled and buffeted on the commuter train service. Her bottom is pinched, her *breasts are touched. One gentle*man even offers her an editorial position on the Financial Times. In the second act, the unravelling of the history attains the complicated heights of the model genre. It seems, after all, that Sarah is not dead and that Curly will acknowledge not defeat, but reality, by joining the stockbrokers.

For an unrepentantly moral writer, David Hare is consistently entertaining. This play *occupies a central position in* a decade's output that has been sinfully underestimated. As a body of work, the plays from *Slag* to *Plenty* are challenged only by the plays of Tom Stoppard. The good folk of Leatherhead took *Knuckle* on the chin and, what is more, stayed to applaud.

Wimbledon Theatre

London City Ballet

by CLEMENT CRISP

For a small unsubsidised ballet company, life can clearly be difficult in the extreme. Admiration then for the bravery of London City Ballet — a new classical troupe of modest size, directed by Harold King—which has embarked upon the fraught touring road with a generally "safe" repertory of classical ...ms and a few novelties. There ... a case to be made for such an ensemble to play where the bigger guns cannot reach, the argument always being decided by the quality of the dance and certain artistic decency to the works on view.

I saw London City Ballet in Wimbledon on Tuesday night in the first of two programmes which fill out their week's visit. Since standards seemed to me ... be superior (comparison being admitted) to those of some small contemporary groups who have the benefit of ...al or *national subvention;* design I thought dire—there is ...ease for trying to find young untried designers fresh from art school, who need to gain experience rather than a fortune ...tially.

The repertory had certain abyssal depths (Harold King being *responsible for Killing Time* about which I think comment is impossible save to say that it would suit the cabaret of Purgatory) but it concentrates upon standard favourites which were given willing performance; and for all that the accompaniment is a small band relying heavily upon a pianist —the entirely excellent Michael ...asset — the pieces were not ...adged.

The programme began with an ...ided version of the second act of *La Sylphide*—no Gurn or ...ffie, but the heart of the drama here — the choreography decently present. Nine sylphides, *plus* the heroine, made the patterns clear, even if the authentic Bournonvillian sweetness was somewhat lacking. Karen Smith was the sylph, pretty in the opening passages but tending to strain and force the death-scene, which must at all costs be as gentle as the fall of her wings. Nigel Burgoine gave a bright account of James's dances, his interpretation seeming based upon Peter Schaufuss' performance — and none the worse for that.

The evening ended with *Paquita Variations,* yet another compilation from that encyclopaedia of Petipa's genius. It should, in an ideal world, be danced only by *ballerine* in full cry. In these less than ideal surroundings (the décor like a *neurotic Spanish omelette*) I salute the enthusiasm of the performers who tear into their variations and come out the other side still smiling, and gratefully note the appearance of Ursula Hägeli as leading dancer. Miss Hägeli knows how to show off choreography. She is its mistress, and her open and generous manner, and her bright technique, bring a fine and exultant allure to this piece of rum-ti-tummery. Her cavalier was Donald MacLeary, prince among partners, who knows how to gain maximum effect from the simple matter of his variation.

MacLeary also partnered Linda Smit in the *Swan Lake* second act *adage.* He bestrode the rather dingy world within the theatre's black curtains with all his usual romantic dignity; Miss Smit gave a careful but somehow passionless account of *Odette*—she could with advantage suggest that the swan princess finds a moment's peace and hope in Siegfried's arms. The remaining items in the central section of the bill included a Bolshoy-style *Spartacus* duet—no further details vouchsafed to the audience—in which Marian St. Claire and Michael Beare were Phrygia and her slave hero, yearning, be-cloaked, doomed, as that awful music rampaged about their heels. They were also trapped in *Killing Time,* which is beneath them as artists, and Miss St. Claire was the heroine of *Summer Day* which Jack Carter has pinned on *L'Après-midi-d'un faune.* A girl flirts with three boys—*colla tout.*

Given the appalling difficulties in starting and maintaining a company, no matter how small, London City Ballet does not cheat its public, and it can have a serious identity for the future as a chamber ballet troupe. It must have better presentation. It needs funds. It deserves support.

Penelope Daner and Adrian de Peyer in Wagner's Die Feen

Wuppertal Opera

Die Feen by ELIZABETH FORBES

Richard Wagner's first completed opera, *Die Feen* which *he composed during 1833-34,* was never performed in his lifetime, but had to wait until 1888, five years after his death, for its first staging. A new production at Wuppertal discloses an arch-Romantic magic opera, derivative in many respects, but an amazing achievement for a *young man of 21, full of pointers* to the future.

Based on Gozzi's fairy-tale, *La donna serpente,* Wagner's text for *Die Feen* foreshadows *Lohengrin* and *Parsifal,* with its insistence on not asking questions, or on asking the right ones. The themes of a *doe turning into a beautiful* woman and of a ruler being turned to stone leap forward to Hofmannsthal's text for *Die Frau ohne Schatten.* The score offers fascinating pre-glimpses of all Wagner's mature operas, *right up to Tristan, The Ring* and, again, *Parsifal.* Friedrich Meyer-Oertel's production, designed by Hanna Jordan and Reinhard Heinrich, manages the transformation scenes from an Arcadian fairyland to the "real" world and back again simply and rapidly, so there are *no waits between scenes in the* three long acts.

Prince Arindal, having lived happily for eight years with Ada, the doe-lady, who has borne him two children, is obliged to ask her who she is, whereon she and her fairy kingdom vanish. Transported *unwillingly back to his own* country, Arindal finds his father dead and his sister, Lora, desperately defending the city against an invading foe. The enemy is beaten, but Arindal, persuaded that Ada is a witch, *curses her and goes mad when* Ada, who was only testing him in order to achieve full humanity, is turned to stone. With the aid of a magician and a magic lyre, Arindal melts the stone to unpetrify Ada and, gaining immortality, rejoins her in the fairy kingdom.

The *two main roles are* killers: immensely long—particularly for the tenor—cruelly high-lying and quite often floridly written as well. As Arindal, Adrian de Peyer battles valiantly with the heavier music, and sings his more lyrical outbursts with sus*tained fervour. Penelope Daner,* a young American soprano whose voice has a distinct but not unpleasing edge of metal, makes a convincing Ada, both in her (naturally) gentle moments and in her (assumed) *spitfire moods. Nancy Henning*er copes well with Lora's conventionally shaped but effective aria in the middle act. Dieter Schweikart and Jean-Christine Eklund are the attractive Papageno-Papagena couple of Gernot and Drolla.

Individually and collectively the rest of the large cast is always competent, while the chorus, given many and splendid opportunities by Wagner, takes them gratefully. The fairy ballet is unembarrassingly choreographed by Hanns Pop. Hanns-Martin Schneidt conducts the Wuppertal Symphony Orchestra, keeping good ensemble and, despite the generally heavy scoring, never swamping his singers.

Record Review

Liszt's two orchestras

by DOMINIC GILL

Liszt: The Complete Works for piano and orchestra. Gewendhaus Orchestra, Leipzig/Kurt Maur, Michel Béroff. EMI SLS 5207 (3-record box).

Considering his lifelong devotion to the piano, his great interest in the orchestra, and the *enormous size of his oeuvre* as a whole, Liszt wrote surprisingly few works for piano and orchestra together. The entire canon comprises no more than 10, of which six (including the two concertos) are original compositions, two are re-composed Fantasies on other composers' works (Beethoven's *Ruins of Athens* and Berlioz's *Lelio),* and two are flamboyant but more or less faithful transcriptions (a splice of a pair of Weber Polaccas and Schubert's *Wanderer Fantasy).* All 10 were written before Liszt was 40: and though he returned *to polish and revise most of* them in later years (notably the concertos and *Totentanz,* both extensively re-worked), after 1841 he never approached the medium freshly again.

This, on the face of it, surprising neglect is explained not so much by Liszt's own early retirement from the public concert platform as by the new role that he was creating for the piano itself: no more the humble solo instrument, but a true orchestral substitute, capable not merely of holding its own against a massed band of instruments but also of re-creating in its own terms the sonorities and subtle counterpoints of the instruments themselves. For Liszt, writing music for piano and orchestra became increasingly like writing for two orchestras: the two "instruments" were not so much *incompatible as too similar to* be joined: Liszt never lost his passionate interest in either: but from the 1850s onwards, and especially after his experience of conducting during the years at Weimar (the catalyst to his later great orchestral experiments), he kept them apart.

Liszt's "works for two orchestras" all the same make a stimulating collection. This new set of three discs from Masur and Béroff offers nine of the ten omitting only the *Grand Solo de concert* of around 1850 (an arrangement, which I've never heard: and as far as I know is still unpublished, of a *Grosses Konzertsolo* for piano alone dating from the previous year: EMI has missed the chance, unacknowledged in the notes which accompany the box, to make the "complete" survey truly complete).

The earliest completed work, and the only one to which Liszt never returned to revise, is a *Grande Fantaisie Symphonique* on themes from Berlioz's *Lélio:* a marvellous outpouring of virtuoso keyboard invention to which the orchestra adds only occasional interludes by way of introduction or comment. As a fun-piece pure and simple, it should certainly be more often revived in the concert hall; and it stands, too, as a worthy companion *to Liszt's other* Berlioz homages, notably the magnificent piano transcription of the *Symphonie fantastique* (more often played if too often by pianists of less than transcendental aptitude) as well as those of *Harold in Italy* and the *Francs Juges* overture.

The *Malédiction* for piano and string orchestra was never named thus by Liszt—but took its title from the word which the composer scribbled (probably during rehearsal) over the opening *fortissimo* theme in his manuscript score. It is essentially a third concerto (in theory the second, since Liszt conceived it between numbers one and two) built in a single span of mosaic fragments interlinked —a fascinating pre-echo of the "transformation of themes" technique which he was to elaborate with more sophistication during his Weimar years.

Compared with his later, loving transcriptions of Beethoven's symphonies, Liszt's *Fantasy on themes from Ruins of Athens* is a pop commercial: a virtuoso vehicle of considerable brilliance but superficial significance. The dedication at the head of the score to Liszt's arch-rival Nicholas Rubinstein was, according to some, an act of characteristic generosity, and to others, a challenge. It was a keyboard burn-up, at any rate, which Rubinstein never condescended to play.

Best known of all, better still than either of the concertos, and in many ways the best loved — one Liszt scholar finds it "the most personal and telling of all Liszt's works" — is *Totentanz.* It was of special importance also to Liszt, who first sketched out the music in the mid-1830s, and returned to it again and again, obsessively refining and re-casting, over the next 20 years. In *Totentanz,* more effectively than in any other of Liszt's works for piano and orchestra, partnership becomes fusion; the piano's solo orchestra takes its *place within, and speaks from* within, the chorus of instruments. Formally, it is also a remarkable proposition: two sets of variations on related, but different, themes interwoven with the greatest cunning, and of the broadest contrast, from dark, satanic conflagration to *pious radiance.*

Béroff is perhaps not the ideal pianist for every face of Liszt. In his hands the satanic *music lacks jolt, a certain* devilish charge: that flash of high voltage which in the greatest Liszt performances can light up, and cauterise the edges of, the more honeyed pages. But he is a scrupulous artist, with a reliably fluent technique at his command; and there is much pleasure to be had, as well as much playing of the highest quality, in the course of these six record sides. Masur and Gewandhaus Orchestra are everywhere impeccable accompanists: I particularly liked Masur's very civilised and lucid treatment of the concertos, without a whiff of condescension. The sound quality is clear, clean and warm; the balance natural, and notably free from "engineered" effects. For Lisztians, a feast; for everyone, strongly recommended.

Theatrespace

A Chast Mayd in Cheape-side

by B. A. YOUNG

That's how they spelt the title on the programme in some year between 1611 and 1615; they spelt the author's name Thomas Midelton. We know what they meant, for we've seen the play since then, both at the National and the Royal Court. I've no intention of telling the story, but it's easy to say what it's about: it's about love and fornication. Young Touchwood is in love with Moll, daughter of the goldsmith Yellowhammer, who is to marry the rich Sir Walter Whorehound. Sir Walter has a mistress, Mrs. Allwit, with a complaisant husband. Sir Oliver Kix has been married seven years but fathered no children, and Touchwood's brother claims to have a physic that, in the right circumstances, will put *this right. Take it from there.*

The Cherub Company give the play a suitably uproarious performance on the dishcloth-size stage at the Theatrespace (which you will find in William IV Street, near the Strand). They play it straight through like real Jacobeans, allowing *characters to ignore one another* if business demands. We don't look for polished acting from the Cherubs, but what we get is pace, vigour, clarity and understanding.

The plot calls for 36 characters, but it is played here, under Andrew Visnevski's ingenious production, by six boys and four girls. Upstage they have a small platform, and beyond this is a frame carrying a traverse curtain split in the centre to form an entry. You can see the players changing their costumes (which, as you can imagine, they have to do quite often) at the back.

I found it immensely enjoyable. Vicky Ogden, who is not only Lady Kix but also a Welsh whore, speaks fluent Welsh: *Yellowhammer's son (Anthony* Wise), has just become a Bachelor at Cambridge, chats away with his Tutor in Latin, in a very un-Jacobean pronunciation; *Young Touchwood* (David Acton) plays the 'cello. There is delightful pseudo-17th century music by Peter Fincham. Let no one feel that because this is an old play there is anything stuffy about it. It races along from one wanton situation to the next at a great lick. There was standing room only at the first night, and that's just how it ought to be. It's Jacobean pop.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1979							
3rd qtr.	112.7	103.2	101	106.6	149.6	1,269	247
4th qtr.	112.6	104.2	101	109.1	185.9	1,286	230
1980							
1st qtr.	110.0	100.1	100	110.2	158.6	1,379	193
2nd qtr.	106.6	96.8	94	109.2	164.3	1,492	160
3rd qtr.	102.8	93.3	84	108.9	170.3	1,695	120
4th qtr.				109.5	205.2	2,018	100
April	106.7	97.7	92	109.6	163.7	1,458	169
May	106.5	96.5	93	108.4	161.3	1,484	163
June	106.6	96.2	97	109.5	167.1	1,535	147
July	104.6	95.0	87	108.5	172.8	1,606	126
Aug.	102.0	92.7	91	109.6	167.6	1,696	120
Sept.	100.7	91.2	73	108.5	170.4	1,784	113
Oct.	100.6	90.3	76	109.7	179.1	1,892	100
Nov.	100.6	89.7		109.2	192.8	2,028	97
Dec.				108.4	236.0	2,028	97
1981							
Jan.						2,236	103

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1979							
3rd qtr.	105.6	96.4	132.5	95.0	105.1	100.2	21.0
4th qtr.	105.4	101.1	129.6	99.2	103.4	96.4	18.1
1980							
1st qtr.	104.6	100.9	123.4	98.7	56.6	92.2	12.3
2nd qtr.	98.2	96.0	123.2	93.1	94.0	85.6	16.0
3rd qtr.	96.9	94.3	116.7	91.1	78.2	82.6	12.4
April	99.0	97.0	122.0	94.0	89.0	88.0	15.0
May	97.0	96.0	124.0	93.0	99.0	84.0	16.7
June	98.0	95.0	124.0	93.0	94.0	85.0	16.4
July	99.0	95.0	121.0	92.0	81.0	85.0	13.6
Aug.	97.0	94.0	116.0	91.0	80.0	84.0	10.9
Sept.	95.0	94.0	114.0	89.0	73.0	79.0	12.7
Oct.	95.0	92.0	116.0	88.0	67.0	76.0	11.7
Nov.	94.0	91.0	117.0	86.0	74.0	77.0	10.9
Dec.							7.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
3rd qtr.	129.8	128.1	−492	+ 60	−158	106.5	23.18
4th qtr.	129.3	128.9	−785	−589	−157	103.5	22.54
1980							
1st qtr.	132.3	126.6	−633	−191	−107	100.5	24.87
2nd qtr.	128.4	124.4	−262	− 64	− 8	102.6	28.15
3rd qtr.	126.7	115.8	+774	+1,076	+155	104.8	28.08
4th qtr.	125.8	110.5	+1,160	+1,460	+240	104.8	27.90
May	129.8	120.8	− 1	+ 77	− 25	102.0	28.28
June	128.9	124.2	+ 15	+ 81	− 23	103.8	28.17
July	128.6	117.1	+303	+403	+ 98	104.3	28.27
Aug.	126.5	121.2	+ 48	+149	+ 6	105.4	28.29
Sept.	125.0	109.1	+423	+524	+ 51	104.7	27.64
Oct.	123.5	106.3	+459	+559	+152	104.7	28.03
Nov.	129.0	111.1	+455	+555	+ 59	105.1	28.19
Dec.	125.0	114.1	+246	+346	+ 29	104.7	27.48
1981							
Jan.							28.39

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
3rd qtr.	12.0	11.2	13.2	+3,642	933	1,875	14
4th qtr.	14.4	15.6	22.6	+2,977	839	1,959	14
1980							
1st qtr.	− 4.0	7.2	21.9	+1,725	634	2,049	17
2nd qtr.	− 1.5	10.7	23.3	+3,219	697	1,964	17
3rd qtr.	14.4	39.1	45.2	+6,444	1,090	1,933	16
4th qtr.	8.4	21.0	11.2	+3,320	1,253	1,790	15
April	− 4.0	5.9	18.8	+ 701	266	682	17
May	4.0	12.6	21.8	+1,149	225	607	17
June	− 4.9	13.7	28.8	+1,369	206	675	17
July	11.7	36.5	50.8	+3,466	340	663	16
Aug.	11.2	40.8	46.4	+2,011	307	613	16
Sept.	20.5	39.8	38.7	+ 967	443	657	16
Oct.	6.2	24.0	19.0	+1,128	520	629	16
Nov.	8.0	19.6	7.7	+1,431	285	558	14
Dec.	10.9	19.5	7.0	+ 761	448	603	14
1981							
Jan.							14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
1980							
1st qtr.	167.7	197.2	191.4	248.8	247.5	284.47	72.4
2nd qtr.	178.9	201.3	199.0	263.2	255.9	267.45	73.8
3rd qtr.		201.9	203.6	268.9	259.3	275.13	75.6
4th qtr.		203.4	206.1	273.9	260.7	269.25	78.5
April	175.0	202.3	197.0	260.8	254.1	275.67	72.6
May	178.1	200.4	199.0	263.2	255.7	268.23	74.3
June	183.7	201.1	201.0	265.7	257.9	267.45	74.4
July	185.1	201.7	202.7	267.9	259.9	273.57	74.7
Aug.	186.5	201.8	203.5	268.5	259.0	275.38	76.2
Sept.	193.6	202.1	204.6	270.2	259.0	276.44	76.0
Oct.	189.9	201.4	205.3	271.9	259.3	274.65	79.2
Nov.	192.4	203.4	206.2	274.1	260.0	270.56	77.5
Dec.		205.3	206.8	275.6	262.7	262.53	78.7
1981							
Jan.		210.6	209.6				81.3

* Not seasonally adjusted.

Purcell Room

Hamish Milne

Until this Purcell Room recital I had thought of Hamish Milne chiefly as a tight-lipped but enthusiastic explorer of the upper reaches of late Romantic piano literature. But his finest and most convincing playing on Tuesday night was of Haydn and late Beethoven.

Apart from a brief, intense slow introduction to its finale, the D major Sonata, Hob. XVI/37 is one of Haydn's lightweight efforts. Performances on a modern grand run the risk of sounding either too robust or, worse, too pretty. *In the outer* movements, Milne emphasised the treble and lightened his bass to a bouncy staccato. He chose fast speeds but kept the overall phrase lengths clear by the judicious use of accents. This was one of the best 18th century balancing acts I have heard on a *concert size Stein*way. It was both delightful Haydn and sophisticated pianism.

The performance of Beethoven's Sonata in E, op. 109 used, quite rightly, a greater range of the instrument's possibilities. The first two movements were both responsibly and freely played: Milne clearly knows the score *well enough* to admit a good amount of spontaneity into his bar-to-bar response to the music. Each of *the concluding* variations was handled with distinction, but failed to cohere into a single line of thought. This stressing of individual characteristics is a defensible view, but creates problems for the performer in justifying Beethoven's coda.

One can understand Milne's interest in the *music of Nikolai* Medtner after hearing his performance of three of the *Skazki.* The music is contrapuntally *interesting* and thematically original. It's never as bad as Rakhmaninov. However, it does need more colourful and rhapsodic treatment. A responsible and honest approach says a good deal for the pianist's integrity, but Medtner's late Romantic vocabulary presupposes a grander and more imaginative approach.

RICHARD JOSEPH

Festival Hall

Rakhmaninov

From his performances of other composers you would not expect Kurt Sanderling to be a dedicated Rakhmaninov conductor. But there was surely a good deal of dedication in choosing a programme of Rakhmaninov's third piano concerto and third symphony for his concert on Tuesday with the London Philharmonic Orchestra.

The evening could so easily have become a glutinous feast; the third symphony is not by any means the composer's most *succint work thematically or* structurally, and, prefaced by the third piano concerto, satiation threatened. But John Lill's performance of the concerto was astringent enough to prevent cloying; it was a very sober-suited account, too staid almost for the good of the first move*ment, which scarcely unbent* even for the second subject.

Elsewhere, however, there was a great deal to admire, and in the finale the steadily accruing momentum and the refusal to overpress brought a quite genuine excitement, aided by Sanderling's deft touches of orchestral colour, the *col legno* effects for the strings in par*ticular given more prominence* and making more impact than I've heard before. Careful attention to detail also marked out Sanderling's version of the symphony, faithfulness that was perhaps taken a little too far in his observance of the repeat of the first movement's exposition.

That Sanderling himself might have had worries over the coherence of the symphony revealed itself in some fidgety treatments of episodes in the first movement, as if nothing could be allowed to pass unvarnished. Only the biggest tunes were allowed to unfold themselves relatively unhindered, and the LPO woodwind was encouraged to considerable eloquence in the slow movement. But no amount of licence on the conductor's part in the finale (and Sanderling took his full measure) will make it anything other than an overblown husk of rhetoric.

ANDREW CLEMENTS

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How to fund Polish debt

AFTER THE exchange of American hostages for Iran's frozen bank assets, the crisis in Poland could well provide the next example of the way in which international finance has become a key element in international politics. While Soviet intervention is the most obvious threat still hanging over Poland, the threat of Polish bankruptcy looms behind it and could, indeed, provoke events which make such Soviet action more likely.

So far, the problem of Poland's mounting inability to service its $24bn of hard currency debt and fund its current account deficit, has been defrayed with a series of short term bandaging operations by western governments and by the Soviet Union.

In a study published this week by the Royal Institute of International Affairs, Mr. Richard Portes estimates that Poland will need some $10bn of borrowing this year of which $6.5bn will be needed to repay and service existing debt. Another $3.5bn will be new balance of payments borrowing. These sums, coupled with the new borrowing of $12bn-$15bn which he predicts will be needed in the years 1981-85, suggest that a longer-term solution to Poland's financial problems will have to be found soon. The alternative is a risk of default in which private banks break ranks by demanding repayment of their loans to Poland.

Co-ordination

So far it has been impossible to co-ordinate a move towards a longer-term solution. The private western banks have not been able to agree on rescheduling. Western Governments, which guarantee between one third and one half of Poland's debt, have yet to establish a joint attitude towards it.

Only yesterday, conflicting statements from the U.S. State Department provided evidence that the Reagan Administration has yet to decide whether U.S. interests are best served by helping Poland or by allowing it to remain a burdensome economic problem for the Soviet Union.

On balance, the West's best interests would be served by *co-ordinating a longer term* commitment to support Poland. The process of Polish political liberalisation would be nurtured by such assistance. It would be gravely threatened by allowing the country to slip into economic crisis. The West could thus preserve the influence in Polish affairs which trade, loans and detente have given it. Useful trade opportunities would be sustained.

Whether the West's financial interests would be served by promising new funds to Poland, obviously depends upon the protagonists in the Polish drama implementing an economic strategy which will restore Poland's creditworthiness after five years or so. It will clearly require some delicacy of touch by western Governments to suggest and monitor a disciplined economic programme in a way acceptable to the Soviet Union.

It is hardly appropriate for the western nations to negotiate a joint rescheduling package with the Soviet Union. The results which the West would be looking for from such a package would, in political terms, be diametrically opposed to those sought by the USSR. Conservative Governments would not stand for such liaison. It would implicate the West in any subsequent Soviet action against Poland.

Matching

The most practical approach could be for the western creditor nations—the UK, France, West Germany, Japan, Austria and the U.S.—unilaterally to devise their own schemes for providing part of Poland's longer term needs. They would present this to Poland in the hope that the Soviet Union would see its own self-interest best served by providing a matching contribution. Such an arrangement would amount to a helpful extension of the current position where "patching" finance is flowing uneasily to Poland from all sides.

The private banks in the West would probably follow the lead given by their Governments. They have little faith in the idea that the Soviet "umbrella" will somehow ensure the repayment of their loans. They would much prefer to be re-assured by a credible Polish Government pursuing credible policies, so that a rescheduling of their Polish loans becomes commercially justifiable. A programme of western support, which would *have to include some incentive* for Polish economic self-discipline, would make such credible policies a little more likely. But all parties in the exercise would undoubtedly be walking a tightrope.

Public money can buy tragedy . . .

THE END of the story of car manufacture at Linwood in Scotland was virtually written into the industrial plans of the plant which was opened there 18 years ago. The Imp, the original product, never approached its planned volume; failure and lay-offs soured labour relations and dealers, and finally the Chrysler "rescue" merely postponed the inevitable. For the community concerned it means bitter disillusion—as does the closure of BL plant at Seneffe in Belgium, another tragedy of regional policy.

Some will be tempted to conclude that all regional support is a mistake. This is both heartless and wrong; regional aid is simply a substitute for the kind of efficient housing market which enabled whole populations to move to jobs (and greatly improved homes) in the 1930s. The need for such a substitute will not go away: a generation of political bribery in housing has largely destroyed mobility. We must still try to take jobs to people.

However, what does need to be recognised is that regional aid is by its nature prone to produce tragedies. Regional subsidies enable employers to take risks which they would not otherwise contemplate.

The problem, then, is how to handle such situations, and how to ensure that not too many future projects join their number. Experience suggests that measures which help to achieve low running costs do not distort decision-making as much as the availability of free capital (and the implied promise of priority re-financing). Relief from local taxes and regulations on Enterprize Zone lines should play the greatest possible part; and local labour (with low housing costs) should make its own contribution. The rest is a matter of hard assessment of feasibility. Proper analysis will not eliminate mistakes, but it could reduce their number.

. . . or opportunity

ELECTRIFICATION of Britain's most important long-distance railway lines appears to be a classic example of the sort of carefully evaluated investment programme into which funds can responsibly be channelled. The railways happen to be operated by a public sector enterprise and parts of the network need, for sound reasons, to be subsidised in order to provide public services which could not operate commercially. But neither of these facts imply that additional investment in the railways need be an unproductive drain on national resources. On the contrary, as the review of electrification published yesterday by the Transport Department suggests, certain kinds of railway investment could generate large savings for the nation.

The 11 per cent internal rates of return estimated for the more ambitious electrification options compare well with many projects undertaken by the private sector. Even under the most unfavourable assumptions about energy costs, manpower savings and maintenance improvements, the programmes show a respectable return of 7 per cent (in real terms). However, these figures do not necessarily represent profits which would actually be earned by the electrified railways, since they are comparisons with the financial performance of unelectrified Intercity and freight systems. At present these are operating unprofitably.

Will the efficiency of freight and Intercity improve sufficiently over the coming years to ensure that the benefits of electrification are not swamped by other adverse factors? If some way could be found to isolate the electrification programme from British Rail's other investment needs, the financial markets would probably be prepared to accept the risk and invest in electrification. To let the markets assess the financial feasibility of electrification would be the best answer to the problem: to block the programme because of prejudices about "unproductive" public spending and borrowing would be the worst.

Trudeau plays it rough

By W. L. Luetkens

WHY BRITAIN WAS DRAWN IN

BRITAIN has been drawn into a bitter row about the Canadian *constitution because for more than 50 years Canadians have been un*able to agree on a constitutional regime for themselves. The basic document which gave Canada self-government is the British North America Act of 1867. When the Statute of Westminster made Canadians fully independent in 1931, they themselves asked Westminster to retain the ultimate power to amend that Act, although only on Canadian request. The 10 Canadian provincial Governments and the federal Government had failed to agree on a mechanism for amendments.

Mr. Pierre Trudeau, the Canadian Prime Minister, regards Westminster's role as purely formal, and a relic of colonial status. Last year he failed to persuade the provinces to join Ottawa in a request to the British Parliament to cede the right of amendment to Canada, thereby "patriating the constitution." The Provincial Governments, fearing for their own powers, were again unable to reach agreement. Mr. Trudeau risked their wrath by going ahead with the Federal Parliament's approval alone. Lawyers and politicians on both sides of the Atlantic are still arguing whether he was within his rights, and what Westminster should do about it.

MR. PIERRE TRUDEAU is a very determined man who never seems to mind who he upsets. His proposals for constitutional reform in Canada have driven to fury the Premiers of most of the 10 Canadian provinces. They have also stirred up the normally placid pool of Anglo-Canadian relations.

The latest, but surely not the last, sensation is the leaking of a document in Canada accusing the British of tapping phone calls made by Mrs. Jean Wadds, Canadian High Commissioner in London. Both she and her British counterpart in Ottawa, Sir John Ford, have already been pilloried for lobbying on behalf of their home Governments.

It is hard to avoid the impression that a bit of Britain-bashing suits Mr. Trudeau who has run into opposition at home over his proposals to make Canada master of its own constitution.

Paradoxically, many Canadians share this aim, and it is in no way resisted in Britain. But he has coupled it with two other pet objectives:

- a strengthening of the Federal Government against separatist tendencies in Quebec and in the West with its new oil and gas wealth;
- and a constitutional guarantee of the right to education in their own language of English-speakers in Quebec and French Canadians elsewhere.

The first objective is to be achieved by introducing referendums in Canada. Future changes to the constitution would require the approval of *the Federal Parliament and a* weighted majority of the provinces—to be expressed either by their Governments, or in a referendum by their electorates. As far as at least seven of the 10 provinces are concerned, that is a blow at the principle of federalism.

Mr. Trudeau's second objective is enshrined in a Bill or Charter of Rights to be entrenched in the constitution. A constitutional lawyer himself, he has long preached the need for such a charter. Though the principle itself is controversial in Canada, which subscribes to the British doctrine that Parliaments are sovereign and can act as they please, it is Mr. Trudeau's tactics, as much as his objectives, that have caused the row.

The parliamentary opposition, the Progressive Conservative Party, led by Mr. Joe Clark, wants Mr. Trudeau to separate the charter from the so-called patriation of the constitution. Patriation means the abolition of the right still vested in the Westminster Parliament to be the ultimate arbiter over constitutional changes in Canada. It would, of course, require some formula to be adopted for future amendments.

Fifty years ago, when the Statute of Westminster gave them independence, the Canadian federal and provincial governments failed to agree on such a formula. That is why they asked Westminster to retain the power of amendment, to be used when Canada asked for it. To this day there is no agreement in Canada upon how the balance of powers between the federal and provincial governments may be altered.

The two extreme doctrines are that Westminster has to act when the Canadian Federal Parliament asks for it; or that nothing may be done without the unanimous agreement of all provinces. Mr. Trudeau has taken his stand on the former doctrine: as far as he is concerned Westminster has no right to do anything other than say "yes."

So far, he has ignored warnings that British MPs, and above all the House of Lords, might not share that view. The most significant of these warnings came from the select committee on foreign affairs of the British House of Commons which found that on so far-reaching a reform the British Parliament could not act unless the measure had a modicum of *provincial* support.

That brought out the headstrong side to Mr. Trudeau. Though his wish to leave politics is well known, he said he would stick around until the matter was settled to his satisfaction. He hinted that he might call a snap election (or maybe a referendum) to give himself a popular mandate.

But there are opposition leaders who suspect that in due course Mr. Trudeau's proven ability to change his tactics will come into play. For instance, they argue, he might drop the Charter of Rights for the time being to mollify the British. There are no signs that such a change is impending. Mr. Jean Chretien, Minister of Justice, who spoke for the Government in the committee of both houses of the Canadian Parliament which considered the package, ruled out the idea in the closing stages of the discussions.

The next step is for the proposals to go for third reading in the Canadian Parliament, beginning on Monday. Mr. Trudeau's Liberals are in a majority in both houses in Ottawa. So there is no immediate reason why Mr. Trudeau should offer a compromise there.

What could put him under pressure, apart from the attitude taken in Westminster, is a desire to give his constitutional proposals a more convincing national basis than they have at present. *Though his Liberals* triumphed in the general election a year ago, displacing Mr. Clark as Prime Minister, victory was won almost exclusively in Ontario and Quebec. Not one Liberal was returned west of Winnipeg (though 25 per cent of the votes cast in the West were Liberal).

The West has been at loggerheads with Ottawa for decades. Western "alienation" goes back to the old days when the West was poor and felt that tariffs and freight rates were being manipulated to the advantage of Ontario, the main manufacturing province. Now that three out of four Western provinces have grown rich on gas and oil, alienation persists: with Alberta in the van, the Western provinces complain that Ottawa's energy policies are depriving them of a just price for their natural resources.

A National Energy Policy newly announced in Ottawa (but only very partly enacted) is explicitly designed to increase Ottawa's revenues from the oil industry, and to keep the Canadian oil price from rising above 85 per cent of the world price.

Ottawa argues that the world price is arbitrary; Alberta counters that it is being asked to sell a non-renewable resource for less than it ought to yield.

Mr. Peter Lougheed, Premier of Alberta, has said that he will not agree to a constitutional settlement until there is an agreement on pricing oil—which could be reached by the end of this year, though nobody can be sure.

To give his threat force, he has announced that Alberta will reduce oil output by 5 per cent on March 1, with two more cuts of equal size to come later this year. The first cut alone would add C$1bn (about £360m) to the annual import bill for oil, and about half that amount to the subsidy Ottawa pays on imported oil.

Mr. Trudeau has made an attempt to find a popular basis for his constitutional proposals in the West by courting support from the New Democratic Party, a social democratic grouping with backing in Ontario and in the West. The strategy has only been partly successful. Mr. Ed Broadbent, the NDP leader who is from Ontario, has stood by the Prime Minister. But the party's western section has at best been lukewarm.

In particular, Mr. Allan Blakeney, NDP Premier of Saskatchewan, after wavering, came down against Mr. Trudeau's proposals. He disliked the proposed mechanism for referendums, but like his neighbour, Mr. Lougheed, he was also afraid for his natural resources. As the law stands, the provinces are masters of their resources, but inter-provincial and international trade are a federal responsibility. In the past Ottawa has used that to force the provinces into compromises regarding the tax and royalty regimes for oil.

In the joint committee of the two houses of the Canadian Parliament an attempt was made to give the provinces a limited responsibility for trade, but Ottawa clearly wished to retain paramountcy. The attempt came to nothing, and Mr. Blakeney turned his back on the Trudeau package.

Provincial opposition to the proposals has been taken to the courts, and the case is sure to reach the Supreme Court of Canada, which will be asked whether the Federal Parliament is overstepping its powers. A first decision, in the Manitoba Court of Appeal, has gone in favour of Mr. Trudeau, but the matter is far from settled. Constitutionally, it is hard to see how Westminster could do anything while the matter is before the Supreme Court. On the other hand, once the court has spoken, British MPs may have less difficulty on deciding what their rights and their duties are.

Quebec is among the provinces going to law, but its position is very different from that of the westerners, which fear for their gas and oil, and from some of the Atlantic provinces, which have similar fears for hydrocarbons that have begun to be found off their coasts.

It cannot be a coincidence that the only two provinces to back Mr. Trudeau are New Brunswick and Ontario, neither of which has oil or gas of any importance. Mr. William Davis, the Premier of Ontario, has come into the Trudeau fold after being assured that the Charter of Rights would not force him to give French equal rights with those of English as a language of the legislature and the courts. He does not object to providing French education "where numbers warrant" in the words of the draft charter, and his province has gradually improved the services in French for the per cent of the population of the province who are French Canadians.

New Brunswick is already bilingual by its own laws and is heavily dependent upon transfer payments from Ottawa to prop up the standard of living of its population. Mr. Richard Hatfield, its Premier, has been particularly vocal in warning that excessive delays in London to the constitutional package could strain Canada's loyalty to the Commonwealth and to the Crown.

The position of Quebec, the only province with a French majority, is in some ways curious. The Provincial Government of Mr. Rene Levesque, the Premier, held a referendum last year, asking Quebec voters to authorise him to negotiate sovereignty for Quebec. It was sharply defeated, and ever since the Parti Quebecois has been looking for a cause.

The referendum defeat caused English Canada to take another run at the constitutional reform that had proved so elusive for more than 50 years. But by September of last year the impetus had been spent. No bridge had been found between the regional interests of the provincial Premiers and Mr. Trudeau's conviction that he had a unique chance to remove the last vestige of Canada's former colonial status.

The truth of the matter is that existing law provides no unequivocal basis for proceeding or for rejecting Mr. Trudeau's ambitions. A political step is required, and at the moment there is no visible basis for the consensus without which such a political step could prove dangerous to the unity of Canada. Mr. Trudeau's determination — or his ability to change his mind on all but basic principle—must soon come into play.

MEN AND MATTERS

CSD may go to the country

Few on the political left or right yesterday could think of a better choice as a base for the soon-to-be-born social democratic party than the country house being offered it in the secluded grounds of Inglewood Park, a Berkshire health farm.

Perfect setting, muse the cynics. Every care at hand for the infant party—and for Roy Jenkins' bon vivant waistline.

In fact the same thoughts seem to run, no doubt unconsciously, through the mind of the man who has made the offer. Cyprus-born Manoug Nicolian, head of textile exporter Nicols International.

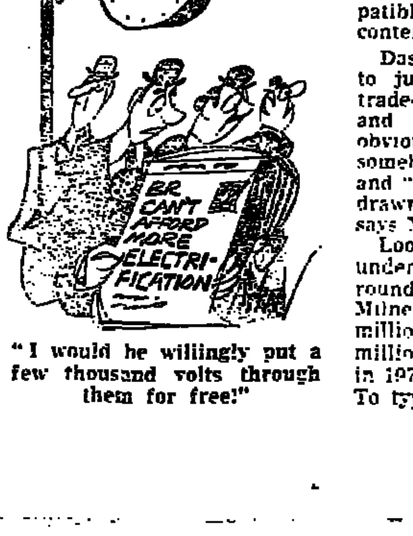
He is quite rhapsodic about the mansion's kitchens. And quite specific in telling Jenkins: "You will be able to use my health hydro facilities, too."

Nicolian tells me that he has had no reply yet. But he is prepared to adapt the mansion, which he was building as his own family residence-cum-offices as the CSD headquarters.

"I welcome the stand taken by those disaffected by Labour's swing to militant socialism," he says. "Although I vote Tory, I feel it's important to have an alternative opposition party that is at least democratic."

A few chubby Tory MPs occasionally visit the farm, Nicolian says. But a base "in the heart of England is much more appropriate than Limehouse for a new national party."

With slight ambiguity, he adds: "This mansion is well guarded . . . shielded from any unwelcome intrusion. It will make an ideal retreat . . ."



"I would be willingly put a few thousand volts through them for free!"

Service charge

So there was my man in the briefcase and bowler hat, wandering idly down Whitehall thinking about his index-linked pension, when a voice rang out from on high. "Is that briefcase really necessary?" it asked. Well, my man faltered, drawing the offending article closer to him, does it not go with the job? "*Not any more it doesn't*," came the unyielding answer.

For a survey of Civil Service costs by senior executive officer Keith Milner has strong words for the basic tools of the trade. "Briefcases should only be issued," he says, "where there is a clear need for official papers to be carried outside the office, and the cheapest briefcase compatible with the security of the contents should be issued."

Dashed difficult sort of thing to judge, I would think, the trade-off between Official secrets and briefcase prices. Still, obviously it must be done, and somebody must do it. Oh, yes, and "briefcases should be withdrawn when no longer needed," says Milner.

Looking deeper into the underlying overheads that surround the mandarin breed, Milner discovers that 553 million postage labels and 25 million postcards were ordered in 1979, at a total cost of £80m. To type a single sheet foolscap costs £3.28 in inner London, and £2.14 elsewhere.

And the cuts? Milner's attention turns to that language in which the civil servant expresses status, the furniture. Some of it (tubular steel chairs, with arms, perhaps, £17.28? or tubular-steel chairs without arms £15.28?) is under-used, and could be given up, he says.

BA for Henderson

The third man in the current clutch of appointments to the board of British Airways is revealed to be Robert Henderson, chairman of merchant banking group Kleinwort, Benson. Henderson joins incoming chairman Sir John King and team-mate Alex Dibbs in their bid to pull the corporation out of its dive towards losses of possibly £100m this year. While all three are rather short on flying hours, "the same principles apply regardless of what the company does, if it makes machine tools or flies aircraft," avers Henderson.

US and them

Markedly more optimism on the platform than among the assembled Press at the U.S. Embassy in London yesterday as visiting congressmen relate the lessons of Thatcherism to their own economy.

One reporter has even brought a copy of Dickens' Hard Times for preliminary reading. But the sanguine view of the U.S. budget experts is that only "some people are going to have to take some discomfort" if Reagan broadly follows the Thatcher lines.

Give or take an inch, the British Government's policies are largely those of consensus politics now in Washington. "The elections brought about a remarkably co-operative spirit . . . . much closer thinking on economic policy," says Democratic chairman James Jones.

This spirit seems to have been bolstered by more than 70 hours of talks with Ministers, MPs, bankers, industrialists, trade unionists and academics here.

"We'll have to be careful about enterprise zones, I'm not sure they are workable," cautions Jones. "And I'm doubtful about setting monetary targets."

But with heartening convenience, the delegation's conclusion appears to be that where Thatcher policies have not worked, greater determination or different circumstances would ensure their success across the Atlantic.

"We intend to translate political rhetoric into substantial cuts in public spending and taxes," asserts Republican Paul Trible.

And $30bn off federal spending could even lead to increased employment not less, adds Jones, provoking much scepticism in his audience. "Things are not as dire and depressing here as we read," he says.

"Have you been outside London?" comes the jaundiced query. "How far north . . . ?" —"We've hardly been outside our hotel," a congressman confesses.

Heard instinct

If you rang the Housing Corporation recently, you may have wondered why only the sound of heavy breathing came from that end of the line.

I can now tell you that what you heard were the protests of staff members of the Clive Jenkins-led union ASTMS. Ignoring the voluble example of their leader, they decided that the best way to register their objections to redundancy proposals was to accept incoming calls, listen to whatever was said, but to make no reply.

The action, alas, achieved nothing. It wasn't until they broke their silence that anyone got the protest message.

Observer

ECONOMIC VIEWPOINT

The precarious balance of the EMS

THE EUROPEAN Monetary System (EMS) has been more successful than its critics or even supporters ever expected. But its "success" is of a kind which should make anyone who has anything to do with running it feel very worried indeed. It should also cause any other country to "stop, look and listen" many times before joining its exchange rate regime.

Since its inauguration in 1979 the EMS has had only one *modest general* parity realignment. This was in September 1979: and was followed by a devaluation of the Danish Krone in November of the same year.

The basic reason for the original scepticism was the utter divergence in inflation rates among EMS members. Italy is a special case and has been allowed 6 per cent margins *on either* side of its central rate. The two leading members, Germany and France, had inflation rates so divergent that it did not look as if they could ever form part of a common exchange rate regime. In linking the parities of the two countries before providing for a convergence of monetary conditions, the founders of the EMS were putting the cart before the horse.

This criticism still applies. On the latest count the French 12 monthly inflation rate was 13½ *per cent. compared with 5½ per* cent for Germany. Yet the astonishing thing is that the strains which have occurred have been due to the *weakness* of the German Mark and the *strength* of the French franc. The D-mark, together with the Belgian franc, has been at or near the bottom of the exchange rate grid and has required international support operations, while the French franc has been at the top.

What has saved the EMS is that inflation differentials have been more than offset by other forces. Germany ran a current account deficit of $16bn in 1980 which Morgan Guaranty expects to increase to $18bn in 1981. France, by contrast, has had a current deficit of only $7bn and has tied up a number of long-term oil supply contracts. Political anxieties, external and internal, have had a role in weakening the D-mark which is very difficult to quantify.

Mr. Paul Volcker of the Fed: the strong dollar has caused complications for the EMS.

During this week's Basle meeting it became very clear that the U.S. Fed could not make any interest rate adjustment at all to help the Germans. . . . Even the wide interest rate band supposed to be in operation has been shiftable at a moment's notice . . . . The outlook for 1981 is for more of the same.

In the absence of any useful theory of exchange rate determination, it is difficult to know how to weigh these different forces. My own guess is that the revival of the attraction of the dollar may have been the most important influence of all. Just as in earlier periods attempted portfolio shifts out of dollars into D-marks drove the German currency up against its EEC neighbours as well as against the U.S., so today attempted portfolio shifts in favour of the dollar have been dragging the D-mark downwards.

During this week's Basle meeting it became very clear that the U.S. Fed could not make any interest rate adjustment at all to help the Germans. The U.S. still faces double digit inflation and a grim budgetary *outlook. The Fed is therefore* more than ever committed to its monetary targets. It hit these last year almost exactly if account is taken of the effects of changes in the law about Negotiable Orders of Withdrawal (NOW accounts).

Even the wide interest rate band supposed to be in operation has been shiftable at a *moment's notice*. The main Fed target has been "non-borrowed" reserves of member banks. In pursuit of these monetary objectives short term U.S. interest rates fluctuated last year from 7 per cent to more than 20 per cent.

The outlook for 1981 is for more of the same. The Reagan Administration has made it very *clear that the Fed will be in the* firing line if monetary targets are not met and Mr. Paul Volcker is much too astute a politician to allow himself to be put in the dock à la Richardson.

But to revert to the EMS. Currencies cannot move forever in the opposite direction to their purchasing power parities. Anyone who knew which side the corrections would come and at what date would be a very rich man indeed.

For the moment, non-price factors handicapping Germany have more than offset the favourable low inflation one. But the balance could change at any time; and it is therefore *far too fragile a basis on which* to rest a currency regime. For instance, a fresh U.S. recession — now much more likely than not — could easily lead, under *present Fed policy, to a plunge* in U.S. interest rates and a revival of interest in the Deutsche Mark. But this is only one of many possible shifts.

There would be much to be said for a common EEC currency in which political and economic risks were spread. In such a union there could not be wide inflation or interest rate *differentials* between France and Germany; and a decision by an OPEC holder to shift balances to Paris would not differ in principle from one to shift balances to Frankfurt. But for this to happen there would either have to be an effective federalism or a new "parallel" currency which would gradually oust the existing ones.

The present EMS is an example of a compromise worse than either extreme. It offers a temporary peg, the durability of which no one knows. It thus *offers neither the flexibility* of floating exchange rates nor the stability of a real currency union or a permanent exchange rate link.

These features throw some light on the contention that the UK should have joined; and that the British pound would now be like the Irish pound which now stands at a 25 per cent discount in the foreign exchange market. (Paradoxically Mr. Callaghan's Government stayed out of the EMS partly because it feared that membership would be an inhibition on any necessary depreciation of sterling.)

A sterling-EMS link could not be maintained simply by posting up a rate on the door. Vast amounts of foreign exchange would have had to be bought by the Bank of England. Whatever may be said about "sterilising" inflows it is difficult to believe that such purchases could have avoided a monetary explosion which would have made the recent *overrun of the monetary targets* seem like child's play. Inflation would not now be coming down so rapidly, if at all; and the real exchange rate could well be just as unfavourable to exporters as it is today.

Surely memories of Sir Harold Wilson's painful efforts to avoid devaluation under the old fixed, but distrusted, *exchange rate regime, as well as* Germany's to avoid revaluation, are not completely dead. Economic problems cannot be removed by Finance Ministers simply saying that they want their own exchange rates to be at certain desired levels. The market well knows how to take statements of that kind.

The boom after the slump

ACCORDING TO the official forecasters the worst of the world recession is behind us, but the recovery is likely to be weak and hesitant. As so often, *there is a good case for standing* the conventional wisdom on its head and saying that the recession has still a good deal further to go; but that there is a chance of a really large growth spurt later in the mid-1980s comparable or even greater than that of the 1950s and 1960s.

The more pessimistic short-term part of the case, is, as usual, easier to make and is documented in the latest London Business School Forecast Release. The recovery in U.S. output predicted by the OECD looks very dubious while the Fed is striving to bring down a double-digit inflation rate; and the strong U.S. output recovery in the final quarter of last year looks like being followed by a further fall—the famous W shaped or double-bottomed recession. The Ger*man outlook has clearly deter*iorated, with a prospect of a drop in output while inflation rises.

The net result is seen as a prolongation of the recession, with recovery not coming until the second half of the year. The more cheerful aspect of the LBS forecast is that the average inflation rate in the indus*trial countries could settle at* 6 per cent by next winter and stay there in the absence of fresh shocks.

A good, if speculative, case can be made for suggesting that the way might then be paved for a long-term boom bigger than we have seen for a long while. The argument is contained in the last Dillon Read *Monthly Monitor written* by the ever-fertile Brian Reading.

His most important assertion is that, for the first time in a generation, capital is becoming scarce relative to labour. Remarks on capital scarcity may seem surprising to industrialists who report record levels of unused capacity. Mr. Reading would reply (as would Mr. *David Howell*) that much existing capacity has been rendered obsolete by changes such as the microchip revolution and the energy price explosion. *Present-day equipment* was built at a time when the real price of energy was between a tenth and a fifth of its level now.

His main case, however, is based on the expected jump in the working population of the world's six largest market economies. The rise between 1976 and 1985 is put at 24m or 10 per cent, with the largest growth occurring *in* the U.S. and the smallest in Britain. Allowing for higher productivity and the ground lost during the present recession, he calculates that output would *have* to grow by nearly 6 per cent per annum in 1982-85 to prevent an increase over the already high unemployment levels reached in 1976.

The postulated productivity rise may be a bit high; and some of the envisaged growth may be postponed until later in the 1980s, possibly to the boom after next. But the fundamental point is that a large increase in the labour to capital ratio ought to raise the return to capital, which has been falling depressingly for so long.

We have heard before of profitless prosperity. The problem is to prevent "employment-less" prosperity, i.e. a boom which fails to reduce, or even increases, unemployment totals. There is nothing inevitable about such a development, as advocates of the "lump of labour" fallacy *wrongly* suppose.

The first requirement for a successful transition to the new growth phases is to make sure that political or union resistance does not block the required increase in the share of profit in the national income. Otherwise the investment boom will not occur. The second is to make sure that real wages are sufficiently restrained at enterprise level for labour-using techniques to be profitable rather than to be so high as to encourage a drive to shed labour at all costs.

The first requirement will be easier to fulfil than the second. Mr. Reading thinks that Japan is the country best equipped to make the transition and the UK least, because of its ossified institutions and negative attitudes. But that is a simple extrapolation of the past and the least important part of the argument.

If everything goes right, income from capital will become an important part of the national product again: and the question of who owns the capital and the degree of concentration in its distribution will become once more a genuine political issue and not merely one for demagogues.

Samuel Brittan

Letters to the Editor

Unemployment is here to stay

From Mr. M. Shanks

Sir,—One of the disturbing [...]cts of the current debate [...]ve discovered, is that nobody [...] is remotely in public life [...]ssumed to have an opinion [...]is own beyond that of the [...]nisation he represents. At [...] *week's meeting of the* [...]dy Council I expressed the [...]ate view, based on some [...]arch done by myself and [...]agues, that unemployment [...]is country could well reach [...] during this decade. As [...]orted in some sections of [...]e media — not the Financial [...]imes—this was taken to be an official pronouncement of the National Consumer Council, of which I happen to be the chairman. Because my forecast broadly coincided with that contained in the TUC's economic strategy document, I was assumed to be supporting it.

Neither assumption is true. The National Consumer Council is not in the business of making employment forecasts. And the fact that I agree with the TUC's forecast does not mean that I agree with its proposals, which I do not.

The situation I am afraid is even worse than the TUC believes. Its prescription for curing unemployment by pumping money into the economy would be appropriate were we in a non-inflationary situation. It is not appropriate for a situation in which inflation is still in double figures, and where since the mid-1960s unemployment and inflation have been rising more or less in parallel, slowly at first and then more rapidly. Even if we pumped all the *money the TUC wants into the* economy and more, it is unlikely we would achieve a significant long-term downturn in unemployment: what we would *certainly have* is more inflation.

If the TUC's radical alternative policy is rejected, that does not mean that the current stance of Government policy has *to be supported* in every particular. I believe it is vulnerable in a number of areas, the most important being interest rate policy, energy pricing, and the use of cash limits to control nationalised industry investment. To criticise Government policy in these areas is not to question the value of the overall strategy, which they are in danger of undermining.

There is no blinking the fact that the Government's policy is doing terrible things to the structure of our industry. Most *of these things are necessary*: some, I believe, are the result of overkill or plain wrong-headedness. But, however one improves the policy in this particular or that, the likelihood remains that under whatever Government we have, long-term structural unemployment is here to stay. The recession is only one of a number of factors behind *the current loss* of jobs. Other factors include the rise in numbers coming on to the labour market, the increasing proportion of women at work, the impact of automation and new technology, and industry. None of these other factors will go away when the recession ends.

So we should, I believe, be starting to "*think* about the unthinkable"—by which I mean reviewing the whole ordering of a society in which there is a fundamental mismatch between the number of job-seekers and the number of jobs available. One can think of a number of ways in which this mismatch could be tackled, or in which its consequences for society could be made less unpalatable. None is exactly comfortable. That may be why, to date, no political party and none of our great corporate institutions has faced up to them. It would be nice not to have to. But we may not have the option much longer.

In view of what I said at the beginning of this letter, perhaps I should end by stressing that these are my own views, and not necessarily those of the National Consumer Council or of any other organisation with which I am associated.

Michael Shanks.
Clayton Revel,
Wooburn Moor, Bucks

Political Parties

From Mr. M. Daniels.

Sir,—Mr. Malcolm Rutherford *(February 6) suggests* that if a new social democrat party should fight 150 seats at the next General Election it would thereby create enmity with the *Liberals. That should not* happen, provided that the new Party concentrates its main effort on the 268 constituencies now held by Labour.

At the last election the Liberals lost 198 deposits in these seats, and also left 41 uncontested. It thus appears that there is ample scope for the social democrats to fight without injuring Liberal prospects, or giving reasonable grounds for non-co-operation between the two parties.

It is, *of course*, possible that the Conservatives may drop their reported project for an increased election deposit, in order to promote rivalry between Liberals and social democrats, and encourage a militant young Liberal "fight every seat" campaign, of which there was evidence in the Glasgow Central by-election.

M. B. Daniels.
134 Bradshaw Road,
Bradshaw, Bolton.

Index-linked pensions

From the General Secretary,
Inland Revenue Staff Federation

Sir,—When the Government set up the Scott enquiry into index linking of public sector pensions, there were many who felt it would be only a matter of time before index linking was done away with. Given the Prime Minister's well publicised opposition to inflation proofed *occupational pensions*, many of us feared that the committee had been selected with a view to coming up with the "right" answer.

Against all the odds, however, Sir Bernard Scott's committee has arrived at what I can only describe as the reasonable conclusion: that there is no reason why pensioners should *lose out because of inflation*, and that the benefits of index linking should if possible be extended to all pensioners. Given the origin of these conclusions, it was to be hoped that this would now end fruitless carping about the public sector pensions, and lead to some progress in providing index linking for all.

Your letters page, however, of February 10 sees the return to some of the same old arguments aired by opponents of index linking in the past.

Mr. Clayton says that we cannot afford inflation proofing: yet many of our EEC partners offer inflation proofed pensions to all pensioners. Nor is there any conceptual reason why inflation proofing should not be possible—indeed, not to inflation proof pensions is to condemn the retired to a diminishing proportion of the national cake.

Miss K. Campbell suggests *that the compounding* of pension increases is inflationary and illogical. If simple increases, however, were to be applied, rather than compound ones, the percentage would have to be higher in order that the original basic pension keeps its purchasing power—and the end result would be the same.

This distinguished committee has reported, basing its recommendations on the advice from leading economists. Let us get on with implementing its findings, rather than allowing the continuation of a system which condemns one of the least powerful sections of society to bear the burden of inflation.

A. M. G. Christopher.
7, St. George's Square, SW1.

No way to fight inflation

From Mr. J. Church

Sir,—I find great difficulty in understanding *the very muted* critical response of finance and economic journalists to the Scott report. Indeed, some who have welcomed its findings, in *particular, have latched on to* the proposal that the private sector should be offered index-linked pensions and that this should be achieved by an issue (no doubt an extraordinary large issue) of index-linked Government bonds, to be offered to pension funds and life offices.

While not agreeing with the *index-linking* of public sector pensions, I find the suggestion that the balance should be redressed by giving the private sector immunity from economic censure both ludicrous and simplistic.

The fact that it is unanimously accepted that the only way to index-link private pensions is for the Government to issue the appropriate bonds illustrates the fundamental flaw in the argument. Why the Government? Surely, if we are now to live with inflation rather than *fight it — and this is* what these proposals imply — anyone should be able to issue and service such bonds. The counter argument put forward is that the private sector could not take on such unknown future liabilities. Then let us ask ourselves why we think the Government could do what the private sector cannot? *I submit* the only reason is because the Government can print money, and no matter how high the interest rate rises or how costly the repayment becomes, the Government is thought to be able to print its way out of trouble as no one else can.

Surely, simple logic tells us this is impossible. Most of us are now converted to the view that printing money eventually only buys inflation. Thus, in a relatively short while we will have Weimar-type inflation followed by bust. So, with protection, pensions become less than they would have been without it.

There is only one view to be taken of inflation and that is that it must be beaten. No country has lived with hyper-inflation for any long period of time and survived. Leave the public servants with their index-linking if we must, perhaps we will survive, but if all join in, we shall finish with no pensions at all. As W. S. Gilbert wrote "when everyone is someone, then no one's anybody."

J. V. Church.
Flat 8, Parklands,
53, Wickham Road,
Beckenham, Kent.

Basic fuel price

From Mr. T. Hayward.

Sir,—I was interested to read the article by Ray Dafter, your Energy Editor — (Government plans £1.3bn gas tax—February 5). The Government's aim to cream off some of the excess profits from the state-owned *British Gas Corporation* is very understandable when it is paying an average of 8p a therm for supplies and receiving an average of 22p a therm from *customers. At 8p a therm it is* less than half the price being paid for basic fuel by the Central Electricity Generating Board as demonstrated by the following:

The CEGB bulk supply tariff defines a tonne of fuel as having a heat content of 26 gigajoules (26000 mJ).

Conversion factor: 1 therm = 105.5mJ; therefore a tonne of fuel (as defined) = $\frac{26000}{105.5}$ =

246.5 therms

and at 8p per therm cost per tonne equivalent is 246.5 x 8p = £19.72.

Compare this with the latest "national fuel cost per tonne" (for the month of January) being paid by CEGB at £41 per tonne.

At the price British Gas is paying for its basic fuel who wouldn't be "efficient" and have domestic customers falling over themselves for their product!

T. J. Hayward.
15 Hillside Crescent,
Pelsall, Walsall,
West Midlands.

Bank profits not high

From Mr. J. Aitken

Sir,—I am pleased to see that the campaign against the proposed imposition of an "excess" bank profits tax is gathering pace through your columns (Mr. R. Monro-Davies, *Mr. A. France, February 5*). The attempt to sway Mr. Lawson and his fellow tax-gatherers, however, should be based on an accurate assessment of the facts. Specifically, the banks and their advocates need not deny that over the last decade or so they have been relatively profitable. The assumption which they should be confront*ing is that this means their* profits are unjustifiably high.

Over the 10 years to 1979 the banks have had an average net return on capital employed of 10 per cent. This is around one-third higher than the 7-8 per cent achieved by the manufacturing and distribution industries over the same period. Similarly, in an international context the UK clearers are probably more profitable than the major banks in any other developed nation. Mr. Monro-*Davies maintains that the Dutch* banks earn more on equity. This is only because they are relatively undercapitalised and in fact the UK clearers return on deposits — an equally valid measure of profitability—was nearly three times as great in 1979.

In spite of their relatively good record, the clearers can muster strong arguments that these profits are not excessive. Their most frequently used defence until now has been the *cyclicality of bank profits, with* good years invariably followed by poor. This argument must carry somewhat less weight in view of their above average *profitability over the longer* term, but it is still valid since proponents of the tax seem to base their case on the level of 1979-1980 profits only.

In my view a more telling argument for the banks to employ is that while profits are in relative terms high, in absolute terms they remain inadequate to back the growth of their businesses. This stems from the fact that while the clearers return on capital has been 10 per cent over the 1970s, the average annual rate of inflation has been 13 per cent. Consequently retained profits have contributed only 40-50 per cent of what has been the growth in *capital and reserves required* to maintain the balance sheet in as strong a position as it was in 1970. In other words we could argue that profits have *been half as high as they* needed to be, and to compensate for this the banks have had to raise substantial debt and equity capital.

The *implications of a further* tax on bank profits are clear therefore. Either balance sheet strength would have to fall to a level at which it could be sustained by the banks reduced level of profitability, or an even greater proportion of capital would have to be raised in the debt and equity markets. Given the vital importance of balance sheet solidity to a bank, the first option is unattractive, while the continuous raising of external capital would so increase the cost of these funds *that* a further fall in profitability would result.

The case for an excess bank profit tax should be easily dismissed therefore, as both un*justifiable and harmful to the* long-term future of the banks. Unfortunately, much of the pressure stems from irrational sentiments such as envy on the part of Britain's even less profitable industries, and avarice on the part of a cash hungry Government with a "soft" target in view. As such the banks will not find their opponents very *receptive* to arguments conducted along the lines of fact and logic.

J Aitken.
24B Argyll Mansions,
311-313 Kings Road, SW3.

Charges by the bank

From Mr. P. Wildey

Sir,—K. Mason's letter (February 5) complaining about charges of £5 when small amounts of currency are being changed coincided with the arrival of a credit advice from my bank, turning US$110 (£45.12) into £33.46!

P. R. Wildey.
47, Bramfield Road, SW11.

Today's Events

GENERAL

UK: Sir Seewoosagur Ramgoolam, Mauritius Prime Minister, meets Mrs. Margaret Thatcher, 10 Downing Street.

Deadline midnight tonight for *Mr. Rupert Murdoch's signing* agreement to purchase Times Newspapers.

Mr. Peter Shore, Shadow Chancellor of the Exchequer, speaks at *European quarterly outlook* conference, Hyde Park Hotel, SW1.

Confederation of Health Service Employees' pay and condi*tions committee meets.*

Overseas: Commonwealth Agriculture and Food Ministers meet to plan an international food security system, Dacca.

PARLIAMENTARY BUSINESS

House of Commons: Education (Scotland) (No. 2) Bill, second reading.

House of Lords: National Film Finance Bill, second reading. Film Levy Finance Bill, second reading. European Assembly Elections Bill, second reading. Motions to approve Northern Ireland orders on weights and mea*sures and legal aid.*

Select Committee: Home Affairs. Sub-committee on race relations and immigration. Subject: Numbers and legal status of future British Overseas Citizens without other citizenships. Witnesses: Foreign and Commonwealth Office. Room 15, 4.30 pm.

COMPANY MEETINGS

Hickson and Welch, 140 Buckingham Palace Road, SW, 11.30. North Midland Construction, Portland Works, Portland Street, Daybrook, Nottingham, 12. Serck, Midland Hotel, Birmingham, 12. Stenhouse, Central Hotel, Gordon Street, Glasgow, 12. *United Spring and Steel*, 75 Harborne Road, Birmingham, 12.

UK COMPANY NEWS

Martin Ford profits well down—dividend halved

ALTHOUGH profits picked up in the second six months the taxable surplus of **Martin Ford**, ladies' wear retailer, finished the November 29, 1980 year well down from £1.33m to £243,860—comparative second-half figures were £142,534 against £662,826, however. Sales, including VAT, fell from £7.21m to £6.42m.

The directors state that although results were disappointing, due to difficult national trading conditions, they are encouraged by a recovery now being shown in turnover levels. Accordingly, current indications point towards an improvement for this year.

The dividend is halved to 1.3p (2.6p) net per 10p share with a final of 0.65p; earnings per share are 1.84p (4.13p) after a tax credit of £43,705 (£686,358 charge)—credit arises from amounts written back for stock relief provisions no longer required.

The balance retained at the year end was £84,441, compared with £239,544.

● comment

Martin Ford has finished the year on a slightly better footing than many would have predicted. At the interim stage it looked as if the group would be unable to cover even a halved final dividend. In the event, volume declined less sharply in the second half and Martin Ford's pre-tax profits exceeded its dividend payments by £40,000. The halt in the profits slide appears to be continuing but no more than a marginal improvement can be anticipated until consumer demand picks up significantly. At 23½p, the shares yield 8 per cent on an historic basis.

HIGHLIGHTS

The Lex column discusses the cyclical elements of **PSBR** in the light of an analysis in the latest Economic Progress Report and examines the prospects for the **British Aerospace** launch in the run-up to flotation. The column also looks at the Stock Exchange initiative on disclosures and listing requirement applicable to the recent rash of London quoted energy stocks domiciled in Canada and the U.S. and goes on to prepare the groundwork for the bid which **Harrisons and Crosfield** has been asked to make for the outstanding shares in London Sumatra.

Blackman & Conrad to stop trading

CLOTHING manufacturer, **Blackman and Conrad** is to cease trading. Its active subsidiary will be put into voluntary liquidation.

The announcement comes one week after the group's shares were suspended at 6p, giving the company a market capitalisation of £290,000. Net asset value per share was 22p as at January 31, 1980.

In the first half of last year the group incurred a pre-tax loss of £90,000 compared with profits of £115,000 at the interim stage in 1979.

F. Copson much lower at midterm

A DROP in pre-tax profits from £102,786 to £58,015 is reported by **F. Copson Company** for the six months to end-October, 1980. Turnover was also lower at £2.82m, compared with £3.13m.

However, the chairman says that at this stage he cannot foresee any circumstances which can prevent the dividend for the year being at least maintained. Last time 1.2p net was paid from taxable profits of £243,247.

At the AGM last October the directors said they would be disappointed if results for the year did not at least match those of 1980—although it was pointed out that it was quite impossible to forecast the outcome with any degree of certainty.

Tax for the half year was down from £53,449 to £30,168.

The company, based in Birmingham, supplies heating equipment and builders' materials.

Govts' delay is threat to Westland's EH 101

BY REG VAUGHAN

GOVERNMENT DELAYS to Westland Aircraft's Anglo-Italian helicopter project threatens the company's ability to capture the market, Lord Aldington, the chairman, warned yesterday.

He told shareholders at the annual meeting that the British and Italian Governments had still not signed the agreements which would initiate the next stage of the EH 101 project for the replacement of the Sea King helicopter.

Through its partnership with Augusta of Italy, Westland is hoping to break into the civil helicopter market with this project by the end of the decade. The new machine being built is initially for defence purposes and a large part of the programme is expected to be financed by Government funds.

Lord Aldington told shareholders that the group's studies had shown there would be a good demand for a defence and civil version of a helicopter of this size in the last half of the decade.

The chairman said that in the helicopter company more orders are needed for the Lynx. The workload here is expected to take a dip over the next 18 months following the breakdown of big Arab contracts which are now enmeshed in a web of lawsuits.

He added that the company would be pressing ahead with encouraging further interest in the group's WG-30 helicopter, two of which have recently been ordered by British Airways.

This is the first order for this 17 passenger-carrying helicopter which represents Westland's attempt to capture some of the big civil markets for rotary-winged aircraft expected through the 1980s.

Lord Aldington reported to the meeting that management accounts for the first quarter of the current year showed a group profit in real terms ahead of that recorded a year earlier, with deliveries also higher but not quite as good as planned.

He said that the value of orders received totalled more than was expected, mainly because of an export order for Sea King helicopters received in October, which was earlier than had been hoped for.

Lord Aldington told shareholders that the Government moratorium on defence spending had quite seriously affected the flow of orders for spares and repairs, but the company had a substantial load of products support work for non-defence ministry customers.

He also said that the company's Ministry of Defence funded research and development work had been reduced and was below last year, but might be increased after April. Work was going well on Hovercraft contracts and throughout Normalair-Garrett's diverse operations where planned extension was continuing.

Mr. Jeremy Ashdown, a shareholder and Liberal Parliamentary candidate for Yeovil—Westland's base—again questioned the chairman about the introduction of a profit-sharing scheme for employees.

Lord Aldington said that there had been no strong pressure from the unions for such a scheme. The matter had been reviewed, he said, and the company would keep in touch with the union's feeling.

He added that at this stage the first priority would be to get the company's bonus scheme working well throughout the group.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Anglo-Am. Secs. 2nd int.	3.45	—	3	4.75	4.74§
Arden and Cobden	5.5	—	4.75	5.5	4.75
Martin Ford	0.65	Apr. 30	1.3	1.3	2.6
Int. Inv. Tst. Jersey	4.5‡	Mar. 27	4	7	6
Moorside Tst.	5	Mar. 26	4.4	7	6
Press Tools ....int.	0.8	—	0.95	—	2.7
Scottish & Mercantile...	5.35	Apr. 2	5.2	5.35	5.2

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout. § Includes 0.54p non-recurring special.

Press Tools setback

ON TURNOVER unchanged at £1.4m, taxable profits of **Press Tools** fell from £206,000 to £147,000 for the half year ended October 31, 1980, and the interim dividend has been cut to 0.8p net against 0.95p.

Mr. M. B. Barber, chairman of this press tools, jigs fixtures and automatic turned parts group, says he does not consider trading for the second six months will be profitable.

For the 1979-80 year the total dividend was 2.7p paid from pre-tax profits of £418,180.

Atcost 54% higher at year-end

Atcost, the privately owned construction group, reports a 54 per cent rise in pre-tax profits for the year end September, 1980, with an advance from £365,000 to £563,000.

Turnover rose by 40 per cent from £13.97m to £19.62m. Most of the increase in both profits and turnover came from an improved performance of Atcost Projects and Atcost Structures, the subsidiaries responsible for the group's UK erection and cladding work.

RIT plans ambitious expansion programme for Target Life

BY ERIC SHORT

RIT, formerly Rothschild Investment Trust, intends to build up **Target Life Assurance** as a major profit centre within the group over the next five years. Target is to receive a £2m cash injection from its parent Hume Investment Trust owned 60 per cent by RIT, to finance an ambitious expansion programme. The remaining 40 per cent of Hume is held by the U.S.-based Reliance Corporation.

The programme aims at increasing the annual premium of Target in 1981 by at least 50 per cent and tripling overall premium income over the next five years, making Target a leading company in the linked-life field.

Mr. Jacob Rothschild, chairman of RIT, affirmed his view that linked-life business would continue to be the major growth area in the UK life assurance industry, with excellent potential for a company with a good range of products and good financial backing to make use of the opportunities. It would take time for results of the capital investment to come through because of the financial strain in writing new life business but he was hoping for profitability to be reached towards the end of 1982 and a return on capital over a period of time in the 20-25 per cent range.

Target Life's new business comes 60 per cent from insurance brokers and other independent intermediaries and 40 per cent from its direct sales team. One major aim is to actively increase business coming from brokers and the number of broker liaison consultants being expanded from 19 to 34. The direct sales force has also expanded rapidly from 150 persons at the beginning of 1980 to a curent number of 600.

The immediate implementation of the expansion programme concerns the launching of a new Press advertising campaign scheduled for the first half of the year, with Target for the first time promoting strongly into mass consumer media. The advertising will concentrate on the popular income bonds, in which the company has been a leading promoter, and personal pension arrangements to take advantage before the end of the tax year of the major concessions given in last year's Finance Act.

Target has completed a programme of revamping its entire product range for life assurance, savings and pensions contracts, incorporating the latest developments, plus some new features. Its Maximum Investment Plan has been redesigned with a revision of the charges structure and Mr. Paul Seymour, chief executive of Target Life claims that this plan now tops the projected performance tables.

The company is launching a completely new product called Masterplan — a flexible linked whole of life contract. This scheme contains a unique benefit in that the guaranteed sum assured is paid if the investor is totally and permanently disabled.

Option on Argyll Foods exercised by Gulliver

Gulliver Foods exercised its option to buy 1,693,745 ordinary shares in **Argyll Foods** from members of the Edwards family on February 10 and placed the bulk almost immediately.

In accordance with an agreement dated December 14, 1978, the purchase price was 75 per cent of the average market prices for the 24 days prior to the exercise of the option. This trading period will have included deals prior to the suspension of the Argyll shares at 78p last December. Following the acquisition by Argyll of Oriel Foods, the Argyll shares returned this week, and closed yesterday at 116p.

Panmure Gordon, brokers to Argyll, placed 1.5m of the shares purchased under the option with a wide range of institutions at approximately 115p per share. The remaining 193,745 shares have been retained by Gulliver Foods.

As a result Gulliver Foods and its associates now hold 21.1 per cent of Argyll, including 2.6m shares allotted under the current rights issue, for which Gulliver will subscribe in full. Gulliver also holds 33.1 per cent of the convertible preference shares

Barget placing 8% of capital

Barget, the loss-making furniture manufacturer, rescued last year by the Hong Kong-based group, **Tinnox**, has arranged for a placing of £250,000 new shares, 8.13 per cent of the capital, at 160p a share.

The £400,000 proceeds of the placing, which is conditional on the approval of shareholders at an EGM on March 2, are to be used to repay a £216,000 loan from the Industrial and Commercial Finance Corporation, and to add to working capital.

Tinnox, which acquired a 53.47 per cent interest in Barget last May following a partial bid at 12p a share, reported its interest at 71.5 per cent earlier this month.

Following the placing, Tinnox, which is controlled by Mr. Jose de Venecia, will hold 65.66 per cent of the 3.07m issued shares.

The Barget directors decided to repay the ICFC loan, which has a first charge on the group's Witham factory, but felt that the amount of equity capital they wanted to raise was smaller than would normally be raised in a rights issue.

The repayment of the loan will reduce group borrowings by 50 per cent.

The directors say trading results so far this year are satisfactory and in accordance with projections. The group incurred losses of £289,000 in the 12 months to September 30, 1980, compared with £857,000. The group's year-end is being changed to December 31 as from last year.

The shares, which have gained 24 per cent this month, closed unchanged yesterday at 180p.

BENLOX

Acceptances have been received in respect of 83.1 per cent of the one-for-one rights issue of **Benlox Holdings** to raise £675,000.

Troubled Christy Bros. has brighter prospects

VARIOUS FACTORS have resulted in a loss at **Christy Brothers**, mechanical and electrical engineers, in the half year following the acquisition of 68 per cent of the shares by Simon and Coates, which brought in Mr. James Dyer, formerly of Armstrong Equipment, to revamp the company.

The loss for six months to December 31, 1980 of £54,000 compares with a loss of £119,000 in the nine months to December 31, 1979, and 15 months losses of £276,000. Turnover for the half was £2.49m against £4.0m for nine months to December 31, 1979.

The Board says the loss this time is mainly due to high interest charges — up from £80,000 to £142,000—the low level of sales in the manufacturing side of the business, further losses on contracts taken at low margins, and to further employee termination costs amounting to £27,000, which have been included in extraordinary items of £23,000 (£13,000).

Although order intake on the manufacturing side is still low, and short-time working is continuing, the outlook for the next six months is better, says the Board

Significant overseas business, most of which should be completed this financial year, has been obtained at acceptable margins and the cost-reduction programme is continuing and showing results.

The Board anticipates that, unless any major unforeseen problems arise, there will be a considerably better performance in the second six months.

Although the sum involved is not significant, it will not be permissible to pay a dividend on the preference shares as dividend payments are prohibited by the Companies Act 1980, when distributable reserves are not available, the Board points out.

There was a loss per 25p share of 2.7p (loss 6p). No tax was again payable.

Bristol Water £4m tender

The Bristol Waterworks Company is offering £4m of redeemable preference stock by tender.

The stock carries a coupon of 8 per cent and a minimum issue price of £100, producing a gross redemption yield of 11.42 per cent or 16.67 per cent for those able to take advantage of franked investment income. It is redeemable at par on March 31, 1986.

The stock is denominated in amount of £100 and applications, accompanied by a £10 deposit per £100 nominal, must be received before 11 am on February 19.

The first dividend will be payable on October 1, 1981, and thereafter on April 1 and October 1 of each year.

Brokers to the issue are Seymour, Pierce and Co.

● comment

Demand for water issues remains very strong. The 8½ per cent issue from Essex Water Company last December is still at a 5 per cent premium and no stock is being offered. So there is little doubt that the Bristol issue will be oversubscribed and tenders of at least £102 may be necessary.

HOSKYNS GROUP WELL AHEAD

With turnover ahead from £12.1m to £17.69m, pre-tax of **Hoskyns Group**, a subsidiary of Marietta Data Systems of the U.S., climbed from £643,619 to £1.15m for the year to October 31, 1980.

In addition the directors say that the company has record order books and they are confident the current year will be a highly successful one for the group.

North American oil companies progress

WHILE the Stock Exchange was unveiling its new requirements for foreign oil and gas exploration companies yesterday, a number of the groups released financial results and drilling reports.

Double Eagle, the Vancouver-based company, says in its first annual report that it has enjoyed "a year of continuous and successful activity." Gas and oil have been discovered "in commercial quantities" in an Oklahoma-based well and further drilling is going ahead in New Mexico.

In Alaska, Double Eagle reports that several oil shows proved to be non-commercial and the Cook Inlet well is still suspended. Further drilling is planned at shallower depths in Alaska.

Double Eagle's cash balance for the period to November 30 amounted to C$2m (£700,000), against the initial C$9m proceeds of its London issue last year.

Warrior Resources, which has a 24.3 per cent stake in Double Eagle, says it achieved a positive cash flow in its first year to May 1980. The initial cash flow was generated from oil and gas leases in West Texas.

Meanwhile, **Shackleton Petroleum**, the Calgary-based company developed by Mr. Bob Lamond of Czar Resources, says it has participated in 13 wells in the U.S. Five have been cased as gas wells, seven as oil wells and one abandoned.

Europa Petroleum, another exploration vehicle from the Lamond stables, has participated in eight wells in the U.S., three of which have been completed as oil wells and four as potential wells awaiting completion. One well has been abandoned.

Sceptre Resources, the Canadian company, announces that it will spend C$32m in calendar year 1981, and will be administering around C$38m during this period.

LONDON TRADED OPTIONS

(Feb. 11 Total contracts 835)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	390	54	20	54	—	64	—	410
BP	460	9	—	18	90	—	—	"
BP	500	3	2	10	—	—	—	
Com. Union	140	15	11	19	—	24	—	151
Com. Union	160	7	31	10	—	13	—	"
Com. Union	180	1½	40	3	—	—	—	"
Cons. Gold	420	30	—	47	2	55	—	421p
Cons. Gold	500	—	—	12	2	18	—	"
Cons. Gold	550	—	—	5	—	7	5	"
GEC	550	92	3	120	—	140	—	655p
GEC	600	53	60	82	23	105	—	"
GEC	650	23	74	55	1	75	—	"
Grand Met.	160	9	10	15	—	22	2	161p
ICI	280	24	1	40	—	56	—	292p
ICI	330	7	22	16	—	—	—	"
Land Sec.	360	47	15	56	—	71	—	397p
Land Sec.	390	24	2	36	—	50	—	"
Land Sec.	420	9	—	22	20	34	—	"
Marks & Sp.	110	18	5	24	—	28	—	124p
Marks & Sp.	120	9½	13	16	—	21	—	"
Marks & Sp.	130	4½	10	9	4	12½	5	"
Shell	420	18	5	36	—	46	—	416p
Shell	460	8	13	17	5	26	—	"
Totals			327		147		12	
		February		May		August		
Barclays B'k	420	4	—	20	—	32	10	403p
Barclays B'k	460	½	—	9	15	20	—	"
Imperial Gp.	70	10	100	10	—	12½	—	78p
Imperial Gp.	80	2	1	4	—	5	—	"
Lasmo	650	10	1	62	2	87	—	647p
Lasmo	750	1	—	20	1	45	5	"
Lasmo	800	½	—	13	20	30	1	"
Lonrho	90	—	—	17	20	21	—	101p
Lonrho	100	—	—	10	—	14	7	"
Lonrho	104	2	14	—	—	—	—	"
P. & O.	120	3	15	10½	1	14½	—	121p
P. & O.	130	1	—	6½	1	10½	—	"
Racal Elec.	300	38	34	52	—	65	—	339p
Racal Elec.	330	10	62	33	1	46	—	"
Racal Elec.	360	⅝	—	18	2	30	3	"
Racal Elec.	390	¼	—	7	—	20	2	"
RTZ	414	1½	—	16	1	—	—	380p
Totals			247		64		28	

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1980-81 High	Low	Company	Price	Change	Gross Div.(p)	Yield %	P/E
75	39	Airsprung	63	—	6.7	10.6	6.7
44	21	Armitage and Rhodes...	41	−1	1.4	3.4	16.9
192	92½	Bardon Hill	190	—	9.7	5.1	7.1
98	88	Deborah Services	95	—	5.5	5.8	4.7
126	88	Frank Horsell	109	—	6.4	5.9	3.4
110	52	Frederick Parker	52	—	11.0	21.2	2.4
110	74	George Blair	74	—	3.1	4.2	—
110	59	Jackson Group	107	—	6.9	6.4	4.1
124	103	James Burrough	120	—	7.9	6.6	9.8
334	244	Robert Jenkins	330	—	31.3	9.5	—
53	50	Scruttons "A"	53	—	5.3	10.0	3.8
224	215	Torday	215	—	15.1	7.0	3.7
23	10	Twinlock Ord.	12¼	—	—	—	—
90	69	Twinlock 15% ULS	70	−2	15.0	21.4	—
56	35	Unilock Holdings	38	—	3.0	7.9	5.8
103	81	Walter Alexander	100xd	—	5.7	5.7	5.5
262	181	W. S. Yeates	262	+2	12.1	4.6	4.3

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Mar. Last	June Vol.	June Last	Sept. Vol.	Sept. Last	Stock
GM C	$45	16	4⅝	—	—	—	—	$48⅝
		April		July		Oct.		
ABN C	F.280	2	13.50	—	—	—	—	F.286
ABN C	F.300	21	4	4	5.50	—	—	"
AKZO C	F.15	30	3.50	—	—	—	—	F18.30
AKZO C	F.17.50	43	1.40	45	2.10	3	2.70B	"
AKZO C	F.20	147	0.60	15	1.10	38	1.50	"
AKZO C	F.22.50	27	0.20	4	0.60	—	—	"
AKZO P	F.17.50	—	—	125	0.80	3	1.50A	"
AKZO P	F.20	2	2.40A	—	—	—	—	"
AMRO C	F.55	—	—	—	—	3	4.70	F.56.20
AMRO C	F.60	3	1.20	—	—	—	—	"
HEIN C	F.50	2	10.10B	—	—	—	—	F.60.10
HEIN C	F.55	42	5.50	—	—	—	—	"
HEIN C	F.60	25	2	1	3.60	3	4.90	"
HEIN C	F.65	2	0.60	—	—	—	—	"
HEIN P	F.55	9	0.80	—	—	—	—	"
HEIN P	F.60	—	—	20	4.50	2	5	"
HEIN P	F.65	6	6A	—	—	—	—	"
HOOG C	F.15	21	3.20	—	—	—	—	F.18.10
HOOG C	F.17.50	29	1.60	6	1.80	—	—	"
IBM C	$60	2	6⅛	—	—	—	—	$63
IBM C	$65	30	2½	6	5¼	—	—	"
IBM C	$70	11	1⅜	1	3	1	4	"
IBM C	$75	4	⅜	—	—	—	—	"
IBM P	$70	15	7⅛	—	—	—	—	"
KLM C	F.60	25	8.50	—	—	1	11	F.67.50
KLM C	F.65	17	5.40B	2	6.80	—	—	"
KLM C	F.70	36	2.60	11	4.50	—	—	"
KLM P	F.60	14	1.10	—	—	3	4	"
KLM P	F.70	3	6.20A	—	—	—	—	"
NATN C	F.110	2	16	—	—	—	—	F.125.50
NATN C	F.120	7	7	—	—	—	—	"
NATN C	F.125	32	3.70	8	6A	7	7.80	"
NATN P	F.120	—	—	17	1.20	—	—	"
NATN P	F.125	—	—	20	3.30B	—	—	"
PETR C	Fr.5000	3	180	—	—	—	—	Fr.4970
PETR C	Fr.5500	3	20	—	—	—	—	
PHIL C	F.15	161	3.20	404	3.50	5	3.80	F.13.20
PHIL C	F.17.50	1056	1.30	470	1.80	156	2.40	"
PHIL C	F.20	484	0.40	719	0.80	503	1.30	"
PHIL P	F.15	—	—	3	0.40	—	—	"
PHIL P	F.17.50	27	0.50	88	0.70	10	1	"
PHIL P	F.20	40	1.90	50	2.60	10	2.70	"
OLIE C	F.200	54	13.50	9	18.50B	7	19	F.207.20
OLIE C	F.220	83	4.20	17	7.50	8	10.50 B	"
OLIE C	F.240	50	0.90	40	3.50B	—	—	"
OLIE P	F.190	26	1.80A	1	4.70	—	—	"
OLIE P	F.200	100	4.50	5	10	3	12	"
OLIE P	F.240	3	34.50	—	—	—	—	"
UNIL C	F.120	10	14	—	—	—	—	F.133
UNIL C	F.130	48	6.20	—	—	1	9	"
UNIL C	F.135	20	3	2	4	—	—	"
UNIL P	F.130	1	2	—	—	—	—	"
EXON C	$70	5	6¼	—	—	—	—	$72⅞
		Feb.		May		Aug.		
BOEI C	$35	—	—	9	4½	—	—	$37
BOEI C	$40	—	—	1	2⅜	—	—	"
BOEI C	$45	—	—	5	½	—	—	"
BOEI P	$35	1	⅜	—	—	—	—	"
BOEI P	$40	1	5½	—	—	—	—	"
MANN C	DM.130	—	—	2	2	—	—	DM125
OCCI C	$30	—	—	1	2⅝	—	—	$30½
SLUM C	$100	—	—	—	—	1	18	$104½
SLUM C	$120	—	—	6	3⅝	1	7	"
SLUM C	$130	—	—	5	1⅝	—	—	"

TOTAL VOLUME IN CONTRACTS 5691
A=Asked B=Bid C=Call P=Put

FULCRUM INVESTMENT TRUST LIMITED

Net asset value (unaudited) as at 31st January 1981
Income shares: 11.10p
Capital shares: 2.19p

H & C considering offer for London Sumatra

BY JOHN MOORE

Harrisons and Crosfield, the plantations group, is considering making an offer for an outstanding 53.4 per cent of the equity of London Sumatra Plantations in a deal which could be worth over £29m.

H and C, which already owns 46.6 per cent of London Sumatra, said that it intends to make any offer which will be closely related to the share price of London Sumatra before the announcement of the proposed delay. Based on an opening share price of London Sumatra's shares of 348p the outstanding equity is valued at £29.1m.

Shares in London Sumatra jumped yesterday from 348p to 380p after the announcement which valued the entire group at £66.5m.

A further announcement about the deal could be made in the next week.

On the London stock market shares in groups where H and C has equity links rose on the news. Harrison Malaysian Estates, Kuala Selangor, Holyrood Rubber, Lunuva and Sogomana all showed rises in their share prices. H and C's own share price fell 38p to 762p.

H and C said that it had made its move in response to an approach from "certain large shareholders of London Sumatra Plantations."

These shareholders are understood to be RIT Ltd., formerly Rothschild Investment Trust, which holds a near 11 per cent stake; S.A. Sipef N.V., a listed Belgium plantation company principally operating in Indonesia, which owns a stake of about 1.1m shares representing over 6 per cent of the equity. Mcleod Russel, the plantation company, has a stake which is around 2 per cent.

RIT built up its stake at an average price of around 30p per share, while Sipef bought its stake at around 25p in 1975.

Sipef said yesterday that its holding in London Sumatra had become disproportionate in terms of Sipef's assets as an investment stake.

H. and C. rushed out its announcement yesterday morning as dealings had been lively in London Sumatra's shares the previous day. In Monday's trading on the London stock exchange the shares had risen 7p to 337p.

H. and C. is understood to be making the move to extend its existing plantation interests. London Sumatra is the group's largest agency associates which is not a subsidiary.

Oppenheim's quick disposal

Less than two months after purchasing a 10 per cent stake in *Sterling Credit Group, Mr. J. Oppenheim* has disposed of the shares for a £285,847 profit.

Last October Mr. Oppenheim was appointed managing director of Sterling, the instalment credit, financial services and insurance broking group. On December 11 he bought 3,720,285 shares for £39,677, in two tranches; first at ...p per share and secondly at ...p per share.

At the beginning of this week Mr. Oppenheim sold the shares at 8½p to Mr. Calonder, a director of Kellock Trust. Mr. Oppenheim is the managing director of Kellock.

The sale reduces Mr. Oppenheim's personal stake in Sterling to 25.22 per cent which is held by his wholly-owned company, British General Holdings.

Sterling Credit shares closed 10½p yesterday.

moved up 2p yesterday to close at 98p. At this level the shares *are at a 61 per cent discount to* net asset backing of 251p per share as at March 29, 1980.

GROSE EXPANDS IN EAST ANGLIA

John Grose Group motor vehicle distributor of Wellingborough, Northants, has acquired the East Anglian motor business, Days Garage of Lowestoft, Suffolk, a Ford main dealers for cars and trucks.

Grose already operates at Ipswich one of the largest Ford main dealers in East Anglia for cars and trucks, and a VW-Audi main dealership at Newport Pagnell, Bucks.

BARROW HEPBURN DEAL COMPLETED

The sale by Barrow Hepburn Group's Dutch subsidiary of its 40 per cent holding in New Zealand company Colyer Watson Holdings for £700,000 to Strong Fisher (Holdings) has been completed, despite action by a third party to *frustrate the deal.*

KWIK-FIT ISSUE

Kwik-Fit (Tyres and Exhausts) Holdings has issued 189,707 new ordinary shares to the vendor of Davenport Garage in satisfaction of the balance of the consideration for Davenport which was acquired in March, 1980.

A further 192,982 ordinary shares have been issued on conversion of £100,000 nominal *of 8 per cent convertible secured* loan stock, 1979-85.

BRENT CHEMICALS URESCO INC.

Brent Chemicals International has completed the acquisition of Uresco Inc., details of which were announced on January 20.

STAKE TAKEN IN DAVID DIXON

Escal (Commodities) has acquired 107,500 ordinary shares (5.32 per cent) of David Dixon and Son Holdings, the Leeds-*based hosiery and woollen cloth* manufacturer. Dixon shares

HENDON GRN. BUYS MORE BOUSTEAD

Hendon Green, of Hong Kong, has increased its holding in the Far East trading company Boustead to 2.54m shares (7.59 per cent). Hendon Green, a *nominee company, is now the* second largest shareholder in Boustead after Boustead Estates Sdn. Berhad, which has 20.66 per cent.

FRASER TRUSTS

The Hugh Fraser Trusts have increased their stake in Bremner, the Glasgow department store, by a further 25,000 shares. The trusts hold 449,000 shares (8.134 per cent).

CHECKPOINT SECS

Checkpoint Securities has *acquired 737,250 ordinary contri*buting shares in Metals and Energy Minerals NL which increases its investment to 14.9 per cent.

AGB RESEARCH

Tempo Computer Services, a subsidiary of AGB Research, has acquired 51 per cent of Double L Electronic Developments. Double L is London-based and specialises in the design and installation of *communication systems* worldwide.

SHARE STAKES

Five Oaks Investments—Mr. B. ...dra. of Van Cutsem and Associates, has bought on behalf of N C Lombard St. Nominees discretionary clients of the firm) 240,000 shares (5.77 per cent).

Bank of Scotland — Kuwait Investment Office has acquired £50,000 of ordinary stock making its holding £2,506,500 (7.73 per cent).

Raglan Property Trust—Director Mr. D. M. Anderson has ceased to be interested in 105,217 shares, these having been sold by National Westminster Bank. The financial arrangements between Mr. Anderson and the bank are such that Mr. Anderson had no control over the time and *manner in which these* shares were offered for sale.

Eagle Star Holdings—Kuwait Investment Office has acquired 355,000 shares, making its holding 7,445,500 (5.46 per cent).

General Accident Fire and Life Assurance Corporation—Kuwait Investment Office has acquired 75,000 shares, making its holding 14,575,000 (9.01 per cent).

Reed Executive—On February 6 Mr. A. E. Reed, chairman, sold 20,000 shares in one of his non-beneficial trusts, a charitable trust, John Brian Reed and David Gowing. This reduces the holding of *this trust to* 88,000 shares.

Elswick Hopper—R. T. Blundell, who has been appointed a director, holds 251,006 shares.

D. F. Bevan (Holdings)—D. F. Bevan, director, has disposed of 55,000 shares (including wife 30,000) leaving holding—self 725,175 (9.23 per cent) and wife 745,200 (9.48 per cent). M. R. Bevan, director, has acquired 55,000 shares making holding 390,544 (4.97 per cent).

Caledonia Investments — Kuwait Investment Office acquired on January 29 40,000 shares making holding 1,569,500 (8.92 per cent).

Matthew Hall and Co.—M. J. Holliday, director, disposed of 80,000 shares at £3.215 on February 5. His beneficial holding now 585,000 (3.42 per cent) plus 250,000 non-beneficial making 4.89 per cent.

Evered and Co.—Investat (Nominees) on February 4 acquired a further 50,000 ordinary shares bringing holding to *441,250 (7.57 per cent).*

Le Vallonet Company—A. R. Call (Holdings) has acquired 50,000 shares making holding 1,539,147 (66.14 per cent).

Harrisons and Crosfield—Kuwait Investment Office acquired on January 30 200,000 shares making holding 5,594,417 (9.57 per cent).

Lamont Holdings—Sir Thomas D. Lorimer, director, has acquired 200,000 shares making holding 2,998,154 (21.76 per cent).

Sunlight Service Group—Mrs. F. Browne, wife of D. R. Browne, director, has sold her holding of 36,715 shares.

Burmah Oil—Kuwait Investment Office acquired a further 200,000 shares and now hold 9.19m shares (6.38 per cent).

British Steam Specialties Group—The Prudential Corporation group of companies now holds 625,000 ordinary shares (5.05 per cent).

Asam Frontier Tea Holdings.—Caparo Group have increased *their holding in the company and* now hold 173,000 ordinary shares (18.40 per cent).

BIDS AND DEALS

Lloyds and Scottish chief bides his time

Commenting on the Trustee Savings Banks agreed bid for United Dominions Trust, Mr. George Duncan, chairman of Lloyds and Scottish, told shareholders at the annual meeting that there were many factors to be taken into account.

Last month Lloyds and *Scottish came out with a 55p bid* for UDT, but this was quickly topped by the TSB's 57p *per share offer.* "The Board is giving very careful consideration to the matter before deciding what action to take," said Mr. Duncan.

ROSGILL BOARD MAY RESIGN

If the £2.63m offer by Lawncast for Rosgill, the Pippa Dee party-plan clothing company, becomes unconditional, the board of Rosgill may resign, according to a bid *circular sent yesterday* by Lawncast to Rosgill shareholders.

Should the offer succeed, Mr. Mark Dickson will replace Mr. D. A. Peel as managing director of Rosgill. Mr. Dickson was formally offered the position in June, 1980, but the *offer* was withdrawn in August. As a result, Mr. Dickson instituted legal proceedings against Rosgill, which has admitted liability. If the offer become unconditional, the action will be settled by payment *of £25,000 to Mr. Dickson* — although at present, Rosgill is contesting the amount.

The offer is 27.5p cash, or one share in Lawncast for each share in Rosgill. Lawncast is a private company, and the shares cannot *be freely traded,* but are offered in accordance with a ruling from the Takeover Panel.

Lawncast already controls or has irrevocable acceptances relating to 61.71 per cent of the Rosgill shares. The first expiry date for the offer is March 3, 1981.

VENDOPS EXPANDS IN DISPOSABLES

As part of its planned *expansion programme,* Vendops has purchased William Peto Andco, the Chester based disposables company with a £2m *plus turnover.*

Vendops is a member of the Blackwood Hodge Group. It manufactures, operates and supplies ingredients and service vending machines.

Mr. *Jim Roberts,* managing director, says the acquisition will substantially broaden the base of *the disposables business.*

UniChem turnover rises 22%

For 1980, turnover of Unichem, largest independent pharmaceutical wholesale organisation in the UK, expanded by 22 per cent from £137.4m to £167m and during the year, profit distributions to members have so far exceeded £10m.

The directors say the final distribution is expected to amount *to a further £1.25m, compared* with a total of £8.22m for the whole of 1979.

Retentions for the year will be in excess of £2m, they state.

Mr. Peter Dodd, managing director, says that results reflected the society's continuing success to support independent pharmacists during the difficult *economic climate, and a period* of intense competitive activity among pharmaceutical wholesalers.

He adds that directors are particularly pleased with sales in the second half which showed a 29 per cent *increase over last* year.

Earnings rise at Arden and Cobden

Taxable profits of Arden and Cobden Hotels, for the year to December 27, 1980, have fallen from £224,247 to £163,589. However, with tax down from £91,000 to £19,000, earnings per 50p share are ahead from 17.7p *to 22.7p.*

Turnover for the 12 months totalled £1.2m (£1.1m) and the dividend payment is raised from 4.75p to 5.5p net.

Receivers for George White (Gosport)

Mr. Guy Parsons and Mr. Richard Agutter, of chartered accountants Peat Marwick Mitchell and Co., have been *appointed joint* receivers and managers of George White (Gosport), children's clothing manufacturer.

The receivers are allowing the company to trade with a view to selling the business as a going concern. It employs some 400 people and operates from Gosport, Hants. Its customers are a number of large retail chains.

Cadbury Schweppes SA up 50%

On turnover up from R36.6m to R50.59m, pre-tax profits of Cadbury Schweppes (South Africa) expanded by 50 per cent to R7.41m for 1980, compared with R4.83m.

The *dividend* is stepped up to 36 cents (23 cents) per share with a final payment of 26 cents.

Mr. C. Cilliers, chairman, says that both the drinks and confectionery sections of the business earned higher profits.

Stated earnings per share increased by 47 per cent at the year end to 96.4 cents, from net profits up R1.86m to R4.88m.

Slater's private company bought by Laganvale

BY JOHN MOORE

Laganvale Estate, the quoted Belfast property group in which Mr. Jim Slater has a significant interest is to take over Strongmead, Mr. Slater's private property company. The deal could give Strongmead share*holders a substantial stake in* Laganvale.

Once the deal is completed Mr. Peter Greaves and Mr. Peter Kellett, directors of Strongmead, will join the board of Laganvale, although Mr. *Slater* is understood not be joining the board.

Mr. Slater was not available for comment yesterday as he is understood to be on holiday.

As a first step in a complex transaction Strongmead will place with shareholders in Strongmead 1m of its 1,462,500 *shares in Laganvale (represent*ing 14.16 per cent of the equity) at 30p per share.

The balance of 462,500 shares will be placed with associates of Strongmead.

Following this transaction net *assets of Strongmead will be* approximately £1.4m of which £0.7m will be cash or near cash and £0.7m will be invested in a first-class residential property, so far unspecified.

Laganvale will *acquire Strong*mead on a net assets basis not later than April 30 and after Strongmead's net worth has been certified by Laganvale's reporting accountants.

As Laganvale's shares will be issued at 30p this will involve the issue of not more than 4,666,666 Laganvale shares, thereby satisfying the maximum total consideration payable of £1.4m.

A circular is to be sent to *shareholders of Laganvale* as soon as possible detailing the transaction.

Laganvale said that the recent purchase of Mitre House, in Brighton, for £1.47m and the planned purchase of a sub-lease in its shopping centre for £0.37m will increase Laganvale's potential borrowings to approximately £1.4m.

The acquisition of Strongmead will reduce these borrowings to a more acceptable level as well as adding a good quality residential property to Laganvale's growing portfolio.

Strongmead said yesterday that the deal would provide Laganvale, which is quoted on the London stock exchange, with cash and property which Laganvale needs.

For the half year to October 31, 1980, Laganvale reported pretax profits of £37,874, compared with a loss of £1,256.

The last dividend was paid *in 1974. Last September the* group organised a rights issue for financing part of its purchase of Mitre House.

David Rome purchased by Helene

HELENE OF LONDON states that conditional contracts have been exchanged for the purchase of the capital of David Rome, *children's wear manufacturer.*

The consideration is for cash and is equal to eight times the average of the net profits after tax for the five years ending December 31, 1986. Payments on account are being made of *£250,000 on completion, and* £200,000 in March, 1982 subject to a warranty that the profits, before tax, for the 21 months ending December 31, 1981 are not less than £350,000.

The net assets at March 31, *1980* amounted to *£427,252* and the profit for year ended on that date was £193,706.

AIRFIX BOSSES PROPOSE DEAL

Four executives of *Airfix* are proposing to buy the company's model railway brand GMR from the receiver. The proposal could lead to an offer in excess of £100,000. An Italian toy company is believed also to be considering a bid.

If the Airfix men—Mr. Clifton, Mr. Sansom, Mr. Whiteman and one other—complete the purchase, they plan to build up to sales of £1m within three years of starting production with a staff of 20.

LEADENHALL BUYS EBERLIN BUSINESS

Leadenhall Sterling has, through its subsidiary T. H. Dixon, acquired for a nominal *consideration* the trade name drawings and technical data of Eberlin Patents, a designer and manufacturer of paper converting machines.

These products are complementary to the range produced by Dixon and Eberlin's £0.5m annual sales are in the UK market, whereas Dixon exports over 75 per cent of its output.

The business has been transferred to Dixon's premises and will be continued under the name Dixon-Eberlin.

LPA-REM BROADENS ITS BASE WITH NIPHAN PURCHASE

LPA-REM Electrical has concluded negotiations with Delta Electrical (Holdings) a subsidiary of Delta Metal for the purchase of Niphan.

Activities of LPA-REM include the manufacture of industrial type electrical plugs and sockets *which are complementary to the* product range of Niphan. The acquisition will lead to a more substantial manufacturing and marketing organisation capable of providing a broader product range and service in both home and exports markets and represents a logical step in LPA-REMs development strategy, the directors state.

Moorside Trust expansion

STRUCK after tax up *from* £331,728 to £496,025, revenue of Moorside Trust, investment trust, increased to £705,750 for 1980, compared with £604,018, and the dividend is stepped up to 7p, against 6p, with a final of 5p net.

Also proposed is a one-for-one scrip issue.

At halfway the directors stated that the increase in gross revenue from £548,738 to £818,875 was considered to be exceptional and not to be taken as an indication of results for the full year. They expected, however, that gross revenue for the 12 months would show a satisfactory increase—the final figure was *£1.57m against £1.34m.*

After preference dividends of £10,500 the available balance was £695,250 (£593,518) of which the ordinary dividend will absorb £679,140 compared with £582,120.

Year-end earnings per 25p share are shown as 7.17p (6.12p), and net asset value is given as 177.4p (129.53p). Valuation of investments was £20.62m against £15.81m.

Sharp jump by Burmah Oil subsidiary

Quinton Hazell Superite, the South African automotive components manufacturer 81 per cent owned by Burmah Oil South Africa, increased trading profit by 90.1 per cent to R3.75m and turnover by 51.1 per cent to *R41.7m* in 1980.

The improvements resulted in part from acquisitions during the year of a muffler manufacturer and a tyre remoulder, though most of the growth arose from higher production at the *company's existing facilities* with strong demand from the country's motor industry.

The management expects a further advance in earnings and turnover in the current 12 months, but warns that the growth rates of the past two years are unlikely to be maintained.

The dividend total *is* boosted from 1.5 cents to 6.5 cents from earnings per share of 25.8 cents (12.7 cents).

BOND DRAWING

NOTICE OF REDEMPTION
EUROPEAN COAL AND STEEL COMMUNITY (E.C.S.C.)
6½% 20 Year Bonds of 1967 due 1st March, 1987

The Commission of the European Communities informs the Bondholders that a selection by lot for a principal amount of U.S.$1,169,000 has been made for redemption in the presence of a Notary Public by Banque Internationale à Luxembourg.

6761 to 6783	6786 to 6793	6797	6932 6933	7020 7021
7025 to 7029	7036	7040 to 7043	7048 to 7056	7080 to 7094
7097 to 7104	7145 to 7175	7177	7181 to 7194	7214 to 7268
7284 7285	7294 to 7303	7316 to 7343	7354 to 7383	7387 to 7400
7472 to 7474	7476 to 7479	7486 to 7507	7509 to 7542	7545
7549 7550	7552 7553	7561 7562	7571 to 7573	7579 to 7621
7643 to 7645	7647	7649 to 7651	7654 to 7656	7668 to 7674
7677 7678	7682	7687 7688	7707 to 7714	7719 to 7724
7726 to 7729	7736 to 7750	7753	7758 to 7760	7767 to 7772
7784 to 7788	7790	7794 to 7796	7798 to 7802	7808 7809
7822 7827	7830 to 7832	7834	7880 to 7913	7919 7920
7926 to 7931	7940	7942 to 8022	8028 8029	8032 to 8035
8082 to 8088	8099	8112 to 8114	8116 to 8120	8123
8126 to 8138	8140	8236 to 8275	8326 to 8341	8343 to 8390
8393 to 8430	8438 8439	8448 to 8452	8490 to 8516	8526 to 8594
8596 8597	8600 to 8621	8624 to 8634	8637 to 8648	8656 to 8661
8674 to 8685	8687	8727 to 8753	8776 to 8920	8961 to 8968
9086 to 9125	9138 to 9145			

Principal amount of Bonds purchased: U.S.$531,000
Principal amount called for redemption: U.S.$1,700,000
Principal amount unamortised after 1st March, 1981: U.S.$9,700,000

The Bonds selected by lot will be reimbursed on/or after 1st March, 1981 with the coupon due 1st March, 1982 and following in accordance with the terms of payment mentioned on the Bonds.

12th February, 1981

COMPANY NOTICES

DIVIDEND NOTICE
TO THE HOLDERS OF
EUROPEAN DEPOSITARY RECEIPTS FOR
COMMON STOCK OF
TOSHIBA CORPORATION
(TOKYO SHIBAURA ELECTRIC CO. LTD.)
DESIGNATED COUPON NO. 40

(Action required on or prior to 30th April 1981)**

Chemical Bank, as Depositary (the "Depositary") under the Deposit Agreement dated as of February 15th, 1970, among Tokyo Shibaura Electric Co., Ltd., (the "Company"), the Depositary and the holders of European Depositary Receipts (the "Receipts") issued thereunder in respect of shares of Common Stock, par value 50 Yen per share, of the Company (the "Common Stock"), HEREBY GIVES NOTICE that at the general meeting of stockholders of the Company held in Tokyo, Japan, on 27th October, 1980, such stockholders approved the payment of a dividend of 4 Yen per share of Common Stock.* [illegible]

DEPOSITARY'S AGENTS

NAME	ADDRESS
Chemical Bank	Frankfurt, Germany.
The Bank of Tokyo, Ltd.	London, England.
The Bank of Tokyo, Ltd.	Paris, France.
The Bank of Tokyo, Ltd.	Brussels, Belgium.
The Bank of Tokyo, Ltd.	Frankfurt, Germany.
Pierson, Heldring & Pierson	Amsterdam, The Netherlands.
Banca Nazionale del Lavoro	Rome, Italy.
Banca Nazionale del Lavoro	Milan, Italy.
Kredietbank S.A. Luxembourgeoise	Luxembourg.

The following table sets forth the amounts payable upon presentation of Coupon No. 40 from the various denominations of Receipts.

Coupon No. 40 detached from Receipts in the denomination of	Dividend payable (less 15% Japanese withholding tax)	Dividend payable (less 20% Japanese withholding tax)
1 Depositary share	$ 0.79	$ 0.73
10 Depositary shares	$ 7.99	$ 7.33
50 Depositary shares	$39.97	$36.77
100 Depositary shares	$79.95	$73.55

Payment in United States Dollars in respect of Coupon No. 40 will be made by United States Dollar cheque drawn on, or transfer to a United States Dollar account maintained by the payee with, a bank in New York City.

Dated: 12th February, 1981.

CHEMICAL BANK, as Depositary
180 Strand
London W.C.2, England.

[illegible]

BANQUE FRANCAISE DU COMMERCE EXTERIEUR
INTERNATIONAL BONDS 9% DUE MARCH 15, 1989 OF $US 20,000,000.00

We inform the bondholders that the March 15, 1981 repayment instalment of $US 1,000,000.00 has been made by purchase on the market.

The following bonds previously called for redemption have not yet been presented for payment:
NRS 4774-4540

Amount outstanding: $US 15,500,000.00

The Principal Paying Agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
15, Avenue Emile Reuter, LUXEMBOURG.

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MITSUI & CO. LTD., TOKYO

[illegible]

CITIBANK, N.A.
London Depositary.
February, 1981.

LEGAL NOTICES

IN THE MATTER OF XOMAS GALLERY LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 31st day of March, 1981, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Brian Mills of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Joint Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 30th day of January 1981.
BRIAN MILLS
ANTHONY JOHN ARMITAGE
Liquidators

IN THE MATTER OF CREATIVE CARDS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 31st day of March, 1981, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Brian Mills of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Joint Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 30th day of January 1981.
BRIAN MILLS
ANTHONY JOHN ARMITAGE
Liquidators

IN THE MATTER OF KINGSLEY CARDS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 31st day of March, 1981, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Brian Mills of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Joint Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 30th day of January 1981.
BRIAN MILLS
ANTHONY JOHN ARMITAGE
Liquidators

IN THE MATTER OF APPERLEY CARDS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 31st day of March, 1981, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Brian Mills of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Joint Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 30th day of January 1981.
BRIAN MILLS
ANTHONY JOHN ARMITAGE
Liquidators

OSSIE CLARK LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the creditors of the above-named Company will be held at the offices of Leonard Curtis & Co. situated at 3/4 Bentinck Street, London W1A 3BA, on Thursday the 19th day of February 1981 at 12 o'clock midday, for the purposes provided for in Sections 294 and 295.

Dated the 2nd day of February 1981.
N. VAN DEN BERG, Director.

PUBLIC NOTICES

NORFOLK CORPORATION BILLS [illegible]

READING BOROUGH COUNCIL [illegible]

ST. HELENS BOROUGH COUNCIL BILLS [illegible]

TAMESIDE METROPOLITAN BOROUGH COUNCIL [illegible]

COURSES

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Bad debts hit Yorkshire Bank

YORKSHIRE BANK, the clearing bank-controlled group, reports a 3 per cent increase in pre-tax profits, to £19.8m against £19.1m for 1979.

Mr. Graham Sunderland, general manager, said he was "slightly disappointed" by the figures which include a large increase in bad debt provisions from £1.3m to nearly £3m. Specific debt provisions rose from £711,000 to £2.5m. A sizeable proportion of the bad debt increase related to Cope Sportswear, the bankrupt fashion group.

The leasing business suffered an operating loss of £470,000 (£166,000). This was because the bank had to carry the burden of higher interest rates, said Mr. Sunderland.

The Yorkshire Bank Finance group, another subsidiary, produced pre-tax profits of £257,000, a 61.5 per cent decline from 1979's £667,000 level.

Group total resources increased by £113m to £770m, a rise of 17 per cent and customer accounts increased 17.5 per cent to £467m. Mr. Sunderland noted that there had been a "marked shift" in the way balances had grown last year, with current account deposits up only 4 per cent and term deposits up 40 per cent. "The shift has had more than a marginal effect on profitability," he said.

Commenting on the possibility of a windfall tax being imposed on banks by the Government, Mr. Sunderland said he did not think such a tax would be justified. He pointed to the group's inflation-adjusted accounts—which show pre-tax profits of £12.2m against £11.4m—and said the current cost accounts "give the lie to the charge that we are making excessive profits."

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether dividends are interims or finals.

TODAY

Interims: Sidney C. Banks, Centrovincial Estates, William Cook (Sheffield), Robert M. Douglas, Dowty, Guildhall Property, Hampson Industries, Kinta Kellas Rubber Estates, Malaysia Rubber, William Ransom, Charles Sharpe.

Finals: Cardinal Investment Trust, Drayton Commercial Investment, Drayton Far Eastern Trust, Drayton Premier Investment Trust, Imperial Group, Lancashire and London Investment Trust, Renown, River and Mercantile Trust, River Plate and General Investment Trust, Scottish Agricultural Industries, Thermal Syndicate, Tribune Investment Trust.

FUTURE DATES

Interims:—	
Elbief	Feb. 13
Gripperods	Feb. 26
Webb (Joseph)	Feb. 17
Finals—	
Alliance Trust	Feb. 27
Colonial Securities Trust	Feb. 13
Foreign and Colonial Inv. Tst.	Feb. 18
Johnson Group Cleaners	Mar. 24
West Coast & Texas Regional Investment Trust	Feb. 18

Dawes liquidators make progress on tax matters

The liquidators of G. R. Dawes Holdings report that during 1980 the group's long outstanding tax matters have progressed towards eventual clearance and it is hoped, in spite of the complexities involved, that this process can be completed in 1981.

A beginning was made with the disposal of property interests. One of the three properties held by co-ownership syndicates was sold releasing, after payment of all property loans, but subject to tax, a sum of £63,000 to the company. There remain two property interests, held through co-ownership syndicates, available for disposal.

Until the extent of the tax liabilities in general has been agreed it is not possible to make a further distribution to shareholders of an amount which would justify the costs involved. Meanwhile available funds continue to be invested and to earn market rates of interest.

The listing of the company's shares on the Stock Exchange continues to be maintained.

Dawes is a Birmingham-based banking and industrial group which went into voluntary liquidation in 1977.

The company has so far made distributions totalling £1.65 per share.

Bett Bros. sees prospects of 'acceptable profits'

The volume of work on offer to the building industry continues to decline and fierce competition has reasserted itself in the competitive tender sector, Mr. Albert Bett, the chairman of Bett Brothers, building and public works contractor, tells shareholders in his annual report.

He warns that little improvement in this situation is expected in the ensuing 12 months and the group will do well to maintain turnover in this sector in its determination to protect profitability.

Mr. Bett expects the reduction in interest rates to stimulate demand in the private housing sector and he looks forward to increased contributions towards profits from the group's diversified interests.

Although he says it is very difficult to forecast results for the current year with any firm conviction in a period of deepening recession, he considers there are reasonable prospects of maintaining profits and turnover at acceptable levels.

As reported on January 13, taxable profits of the group slipped from £2.31m to £2.26m in the year to end-August, 1980, but the total dividend was raised from 2.5p to 3.1p net with a final of 1.9p.

At year-end shareholders' funds were £13.64m (£8.28m) and the bank overdraft stood at £4.43m, compared with £2.62m. The value of freehold land and buildings, as valued by the company, was £10.67m (£5.4m).

Meeting: Dundee, March 6, noon.

Yearlings issue total £11.25m

Yearling bonds totalling £11.25m at 12¾ per cent redeemable on February 17, 1982 have been issued this week by the following local authorities.

Kirklees Metropolitan BC (£0.75m); Rotherham (Metropolitan Borough of) (£0.5m); Purbeck DC (£0.5m); Wellingborough DC (£0.25m); London (Corporation of) (£1m); Dundee (City of) DC (£1m); Sandwell (Metropolitan Borough of) (£1.5m); Redbridge (London Borough of) (£1m); Sutton (London Borough of) (£1m); Leeds (City of) (£1.5m); Slough (Borough of) (£0.5m); South Wight BC (£0.75m); Newport BC (£1m).

London Borough of Enfield has issued £1m of 13½ per cent bonds at par for redemption on February 9, 1983.

Thorn EMI new division

An electron device division has been formed by Thorn EMI to combine the complementary activities of Thorn Brimar and the EMI Electron Tubes companies in the UK and the U.S.

The new division has sales approaching £20m, of which around half are outside the UK.

At the same time the company reports that as at January 30 $24.35m 7 per cent convertible guaranteed bonds 1988 issued by the wholly-owned subsidiary Thorn International Finance BV had been converted into ordinary shares. Nominal value of bonds outstanding amount to $648,000.

RANK PURCHASE

Rank Organisation purchased on February 9, $250,000 of its 4¼ per cent convertible loan stock, 1993. $59.77m of this loan remains in issue.

Private Investment Company for Asia (PICA) S.A.
U.S.$20,000,000
Floating Rate Notes 1986

For the six months from 9th February, 1981, to 10th August, 1981, the Notes will carry an interest rate of 17⅜% per annum. The interest payable on the relevant interest payment date, 10th August, 1981, against Coupon No. 5, will be US$434.46 per US$5,000 Note.

Agent Bank:
Chemical Bank, London

Notice to Holders of

A/S EKSPORTFINANS

(Forretningsbankenes Finansierings- og Eksportkredittinstitutt)

U.S. $50,000,000 11½% Notes Due 1987

Notice Is Hereby Given that pursuant to paragraph 3(b) of the Notes, A/S EKSPORTFINANS has purchased U.S. $7,998,000 aggregate principal amount of the subject Notes during the period beginning 15th April, 1980 and ending 14th January, 1981 in satisfaction of the Purchase Fund obligation. The principal amount outstanding at the end of such period is U.S. $42,002,000.

Credit Suisse First Boston Limited
Purchase Agent

12th February, 1981.

MINING NEWS

Asarco does better than expected in 1980

BY GEORGE MILLING-STANLEY

THE LENGTHY STRIKE by copper workers in the U.S. has not hurt the 1980 results of Asarco as much as some analysts feared. The company, the largest smelter of non-ferrous metals in the U.S., returned net profits for the year just 8 per cent lower at $237.3m, or $8.02 a share.

Mr. Charles Barber, Asarco's chairman, said that the strike at the company's copper mines and plants and the El Paso lead plant, which lasted from July 1 to November 24, adversely affected earnings for both the fourth quarter and full year.

However, the effects of the labour troubles were to some extent offset by the substantially higher average price received for silver. Mr. Barber said that the average domestic silver price in 1980 was $20.63 an ounce, compared with $11.09 in 1979.

The results also benefited from an increase of around 10 per cent in average world copper prices.

Asarco's labour problems look to be over for some time to come. In addition to the new three-year contracts at the company's copper facilities, similar agreements were signed at the recycling plants, the lead-zinc mines and plants and the Galena silver mine, so that the company looks forward to a period of more normal operations at its U.S. facilities.

Asarco turned in net profits of $24.73m or 84 cents a share in the fourth quarter, 70 per cent lower than for the comparable period of 1979.

The fourth quarter results were hit by strikes at Southern Peru Copper, an associated company, and by a charge of $7m to cover the loss anticipated in closing the copper refinery at Tacoma, Washington.

Exxon increases its interest in Canadian coal mining

THE CANADIAN natural resources arm of the Exxon U.S. oil major, Esso Resources Canada, is to increase its participation in coal mining in Canada, reports our Toronto Correspondent.

The company already has substantial coal deposits of its own and a 16.75 per cent stake in Denison Mines' Quintette metallurgical and thermal coal development in British Columbia, and now plans to buy the privately-owned Byron Creek Collieries.

Byron Creek produces thermal coal near Corbin in south-eastern British Columbia. The price for the latest deal has not yet been disclosed.

The Canadian Government has given the deal its approval subject to various undertakings by Esso Resources. These include a commitment to spend C$74m (£26m) in expanding the mine, provided that sufficient reserves are established and sales contracts secured, and a guarantee that Canadians will have at least a 50 per cent stake in the enlarged mine and processing plant.

The plan is to triple the mine's capacity to 3.6m tonnes of coal a year.

NTH. KALGURLI SALE BY ACM

The Australian Consolidated Minerals has sold its remaining interest of 4.03 per cent in North Kalgurli Mines which is to resume gold mining operations this year. ACM received A$3.49m for the sale, or A$1.60 (79.6p) per share. North Kalgurli were 59p in London yesterday.

It is understood that the original cost of the shares to ACM was fully offset by the recent sale of the rights attaching to them as a result of the recent share offer. The buyer of the ACM holding has not been disclosed. ACM were 17p yesterday.

FOURTH QUARTER PROFIT PICK-UP AT NORTHGATE

NET income of Canada's Northgate Exploration improved to C$715,000 (£255,400) in the fourth quarter of 1980 from only C$173,000 in the previous three months.

Matters were helped by increased revenue from interest and dividends, exchange gains and a substantial reduction in operating expenses. There was also a shipment of copper concentrates produced in prior periods.

However, total earnings for 1980 come out at C$4.39m, or 62 cents per share, against C$9.69m for 1979. The fall in last year's earnings is a direct result of the end of the underground working life in July of the group's high grade Irish lead-zinc-silver mine at Tynagh in County Galway.

Tynagh has not entirely faded out of the picture. It is intended to recover the silver from a surface stockpile of oxide ore there and following plant modifications the start-up of this operation is reported to be imminent.

MEEKATHARRA SUSPENDED

Shares of Australia's Meekatharra Minerals were suspended in Perth yesterday at the company's request. The South Australian Government has once again queried Meekatharra's estimate of "assumed reserves" of 2.4bn tonnes at the Arckaringa Basin coal prospect, and has requested talks with the company's consulting mining engineers and geologists.

The shares were suspended in London at 380p.

MMC tin group production

TIN concentrate output in January at the enlarged Malayan Tin Dredging and subsidiaries fell further to 604 tonnes.

Of the other mines in the Malaysia Mining Corporation group, Tongkah Harbour did notably well last month and this has put the total for the first seven months of the current financial year ahead at 308 tonnes against 265 tonnes a year ago.

Berjuntai also produced more last month but the total for the nine months to date still lags at 2,563 tonnes against 2,930 tonnes. Ayer Hitam's seven-month total amounts to 836 tonnes against 1,085 tonnes.

The latest output figures are compared below.

	Jan. tonnes	Dec. tonnes	Nov. tonnes
Aokam	109	126	133
Ayer Hitam	112	108	114
Berjuntai	291	[illegible]	212
Malayan*	604	[illegible]	[illegible]
Sungei Besi	114	113	121
Tongkah Harb.	86	57	22
Tronoh Mines†	57	46	47

* Includes Bidor Malaya, Kramat, Lower Perak, Southern Kinta, Southern Malayan. † Excludes Bidor Malaya.

SPAIN

February 11	Price	+ or −
Banco Bilbao	[illegible]	
Banco Central	[illegible]	
Banco Exterior	[illegible]	
Banco Hispano	[illegible]	
Banco Ind. Cat.	[illegible]	+2
Banco Madrid	[illegible]	
Banco Santander	[illegible]	+4
Banco Urquijo	[illegible]	+4
Banco Vizcaya	[illegible]	+4
Banco Zaragoza	[illegible]	+3
Dragados	[illegible]	+1
Espanola Zinc	[illegible]	+3
Fecsa	[illegible]	+0.3
Gal. Preciados	[illegible]	−1
Hidrola	[illegible]	+0.5
Iberduero	58.5	+0.5
Petroleos	91.2	−0.3
Petroliber	25	
Sogefisa	102	
Telefonica	[illegible]	+0.5
Union Elect.	64.7	+0.7

UMB

U.S.$15,000,000
United Mizrahi International Investments N.V.
Guaranteed Floating Rate Notes 1984

Payment of principal and interest unconditionally guaranteed by

United Mizrahi Bank Limited

Notice to Noteholders

At the request of United Mizrahi International Investments N.V., Curaçao, Netherlands Antilles (the "Company") and United Mizrahi Bank Ltd., Jerusalem, Israel (the "Bank"), and with the written consent of Noteholders holding in excess of two-thirds of the aggregate principal amount of the Notes outstanding, Condition 9 of the Notes relating to the status of the Guarantees has been amended effective January 29, 1981, to read in its entirety as follows:

"The Guarantees of the Notes will be direct, unsecured and general obligations of the Bank and will rank equally with all its other existing and future unsecured obligations (other than any debts for the time being preferred by law and other than subordinated obligations, if any) including those in respect of deposits. So long as any of the Notes remains outstanding, or until the full amount payable in respect thereof has been placed at the disposal of the Principal Paying Agent for the purpose of making final payment, and save as created by the Bank (i) in the normal course of banking business in Israel; or (ii) in accordance with requirements of competent bank licensing authorities in Israel or in any appropriate jurisdiction; or (iii) in favour of the Federal Deposit Insurance Corporation in the United States of America ("FDIC"); or (iv) with the approval of the Fiscal Agent under arrangements similar to that with FDIC in any appropriate jurisdiction, the Bank will not create or have outstanding any mortgage, lien, pledge, or other charge or security interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any obligations now or hereafter existing without at the same time according to the Notes, to the satisfaction of the Fiscal Agent, the same security as is granted to, or is outstanding in respect of, such obligation or such other security as shall be approved by a resolution of a Noteholders' meeting or by the written consent of the holders of not less than two-thirds of the aggregate principal amount of the Notes then outstanding."

This Notice is given by the Fiscal Agent pursuant to Condition 17 of the Notes.

Fiscal Agent
CREAFIN S.A., Zurich

Zurich, February 12, 1981.

February, 1981

This announcement appears as a matter of record only.

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REICHMANNS BID FOR DIVERSIFICATION

Another suitor for Abitibi

BY ROD ORAM

WITH their C$190m (US$160m) bid for a controlling stake in Abitibi-Price, the world's largest newsprint maker, the Reichmann brothers of Toronto have shown again their talent for spotting bargains—a talent that has amassed them an estimated C$8bn of assets in their 25 years in Canada.

The bid also marks their determination to diversify into natural resources from property development the source of their wealth, but which they now believe lacks some of its growth potential.

The intensely private and little-known pair started in Canada in 1956 by setting up a floor and wall tile company. By the late 1970s they were the country's largest private sector real estate owners and developers. Olympia and York, the family company bidding for Abitibi-Price, is their main corporate vehicle.

Observers can only make a studied guess at the assets of O and Y, incorporated in 1969, and at the wealth of the Reichmann family. Taking the conservative estimate of C$8bn, 55 per cent is believed to be in Canada, 25 per cent in the U.S. and 20 per cent in Europe.

First major move

But the Reichmanns are not saying what they have achieved since the family left Vienna in 1938 for Morocco and then for Canada in the mid-1950s. Success lies with two brothers, Paul, who is credited as the chief salesman, and Albert, recognised as the finance man. Both are just over 50 years old.

Their C$100m purchase last year from Rio Tinto Zinc of control of Brinco, a Canadian oil and gas company, was their first major move into natural resources. Shortly after they bought Cassiar Resources, an asbestos producer.

The 40.6 per cent stake in Abitibi-Price they now seek should give them effective control because the company's capital is widely held. Their long-term approach to investment, practised in real estate, should serve them well in Abitibi-Price.

The company's book value is about C$35 a share against the Reichmanns' offer of C$28 a share and the last market quote in Toronto of C$24½. But the replacement value of the somewhat ageing assets is considerably higher, particularly since Abitibi-Price is just beginning a C$1bn, five-year modernisation plan.

Fall in profits

With capacity of about 1.8m tons of newsprint a year, the company has roughly 18 per cent of Canadian capacity and 8 per cent of the world's.

Yet newsprint represented only 56 per cent of 1979 sales of C$1.48bn—fine papers took 23 per cent and packaging, lumber and hardboard the rest.

Net profits fell last year to C$83.7m or C$3.94 a share from C$114.1m or C$5.62 in 1979, while sales dipped 6 per cent to C$1.39bn.

The downturn reflected world economic conditions generally and those in the U.S., the company's main export market, in particular. Forecasts for this year vary widely because of economic uncertainty. Mr. Ross Hay-Roe of Pemberton Securities of Vancouver, in common with some, forecasts "significantly lower" profits with the weakness to continue for a couple of years.

But he believes the company is set for a rebound in the mid-1980s, aided by its healthy endowment of forest lands, dominant market position and modernisation. He considers the Reichmanns' bid fairly priced.

The Reichmanns clearly fancy the potential. They accumulated a stake just short of 10 per cent before announcing their public offer on Tuesday.

They were not alone in eyeing Abitibi-Price. The Pathy family of Montreal had been pursuing a similar strategy, launching an offer in late January through Federal Commerce and Navigation, one of the country's largest shipping companies.

It said it wanted only a 20 per cent investment stake but promptly dropped the offer when the Reichmanns showed their hand. Analysts expect others to be tempted to bid.

With its share capital widely held and a producer of good if cyclical profits, Abitibi-Price has been a frequent takeover target. Indeed, Mr. Thomas Bell, chairman keeps a "black book" of key telephone numbers and check lists of defensive responses to the first hints of a hostile bid.

Playing both ways

But he has played the game both ways, and led Abitibi's own bitterly fought takeover of Price, an eastern Canadian forest products company, in 1974.

The Reichmanns' pace of deals has picked up appreciably in the past four years. They paid US$270m for eight Manhattan skyscrapers in New York's dog days of 1977 when many people seemed to want out of the city. This trend reversed in the late 1970s and the properties' value has rocketed.

Early in 1979 they won the battle for English Property Corporation of London which gave them valuable real estate in Europe and 40 per cent stake in Trizec, Canada's third largest real estate developer.

Grace and Dreesmann in U.S. venture

By Paul Betts in New York

W. R. Grace, the diversified chemicals and energy concern in which the West German Flick group owns more than 20 per cent, is to form a joint venture with Vroom en Dreesmann, the largest retailer in the Netherlands, in a transaction valued at more than $200m.

Under the venture a new company will be formed to absorb Grace's substantial retailing operations, with the exception of its restaurant business. The Dutch group will acquire a 50 per cent interest in the new company in five annual instalments starting this year, according to a preliminary agreement.

The first two cash payments will be for $40m and $50m. The three remaining payments in 1983, 1984 and 1985 will be based on a multiple of earnings.

The transaction involves 467 retail units owned by Grace, including, among others, Hermann's World of Sporting Goods, Handy Dan and Channel Home improvement Stores.

● Charles Batchelor writes from Amsterdam: Grace is the fifth U.S. company with which Vroom and Dreesmann has established links over the past four years.

The Dutch company is currently building up a holding in Cole National Corporation, of Cleveland, which has more than 1,500 stores throughout the U.S., selling optical equipment, gifts, handicraft and providing key cutting services.

It also owns 15 per cent of Outlet Company of Providence, Rhode Island, with department stores in New England, as well as television and radio stations throughout the U.S. It has 10 per cent of H. J. Wilson of Baton Rouge, Louisiana, with stores in the southern states, and 51 per cent of Dillard Department Stores of Little Rock, Arkansas.

Citicorp bond depresses Euromarkets

By Francis Ghilès

INTERNATIONAL BOND markets remained depressed yesterday with most seasoned dollar issues losing about ½ point as interest ratest moved up. The six-month Eurodollar rate closed 5/16 of a point higher at 17 5/16 per cent. Other factors depressing the market in Europe were the weakness in the New York bond market and the announcement of a large domestic bond for Citicorp which carries a semi-annual coupon of 14½ per cent.

If payment were on an annual basis as is tradition in the Euromarkets, the Citicorp bond would bear interest at 14.9 per cent. This is higher than the yield offered on a number of outstanding Eurobond issues and prompted some selling by investors, keen to buy the higher yielding domestic U.S. paper.

Few bond traders expect much activity during the next few days. New York will be closed today and next Monday while President Reagan is expected to give more details of his Administration's plans for the economy next week.

The coupon on the gold-linked bond for Refinemet which was launched by Drexel Burham Lambert two weeks ago was fixed at 3½ per cent. Each 10 oz bond is priced at $5,195 and the initial amount remains unchanged at 100,000 oz.

Varco International Finance meanwhile has launched a $20m 15-year convertible through Credit Suisse First Boston. The coupon is expected to be set at 8¼-¾ per cent but there is no indication, as yet, of the conversion premium.

Prices on the Swiss franc foreign bond market were slightly lower on average. The new 10-year public issue for BFCE which was priced at 6¼ per cent, closed at 101 on its first day of trading. Meanwhile, the new issue for Transamerica, which carries a coupon of 6½ per cent closed oversubscribed.

Electricite de France is tapping the market for SwFr 60m with a 10-year issue carrying a coupon of 6½ per cent through Credit Suisse. The issue is to repay an 8½ per cent bond launched in 1975, which is being redeemed early.

The major Swiss banks' decision to raise the coupon on five-eight year Kassenobligation notes from 5 to 5½ per cent came after the close of the market and had no effect on prices.

The secondary market in D-Mark foreign bonds was unchanged yesterday and dealers said that the heavy selling pressure of the last few days had abated.

Nomura Securities is arranging a Y20bn Euro yen bond for the World Bank. The 10-year issue is expected to carry a coupon of 8½ per cent, and is to be priced next Tuesday.

Ian Hargreaves gives the background to the bankruptcy petition

Seatrain drifts onto financial rocks

SEATRAIN LINES, the New York shipping company which yestreday became the subject of a formal bankruptcy petition, has been drifting into financial crisis for many years.

It incurred losses in seven of the past 11 years and has never really recovered from the twin impact of losing its lucrative U.S. Government contracts for ferrying goods to the Vietnam war and the later oil price shock, which plunged the world shipping industry into its most profound post war slump.

....But the Seatrain story has been complicated by its close relationship with the various U.S. Government agencies which dispense financial aid for shipowners and shipyards on the grounds that shipping is a strategic industry.

The U.S. Maritime Administration (MARAD), part of the Department of Commerce, said yesterday became the subject of directly or indirectly, $350m in loans which have bene guaranteed by various agencies of the Department of Commerce. "We will be a very interested mystander," said a MarAd spokesman yestreday when told of the Seatrain bankruptcy petition.

Deployment of these Government-backed loans over a period of years primarily is what has enabled Seatrain to wriggle away from a financial collapse which has several times appeared inevitable.

The company's latest, and now possibly final drama, began last September, when the company announced it was pulling out of the North Atlantic container service to Europe, which had been suffering heavy losses because of fierce competition and price-cutting.

The buyers were Trans Freight Lines (TFL), a subsidiary of Thomas Nationwide Transport of Australia, and the CAST group, which is part of Eurocanadian Shipboldings. But even that $33m deal has run into trouble as TFL is suing for the return of its money on the grounds that the assets sold to CAST had already been sold to itself.

A few weeks later, Seatrain sold for $14.7m its stake in Seatrain Pacific to Far Eastern interests. This was a profitable service which Seatrain was probably forced to sell under pressure from its lead banker, Chase Manhattan.

Meanwhile, Seatrain had also been cutting back its New York operations, more or less closing down its New Jersey operating headquarters and retiring to a corporate suite located, ironically, in the Chase Manhattan building near Wall Street.

These disposals took Seatrain out of the liner shipping business, only a year after it had also abandoned another major activity—shipbuilding.

In retrospect the decision to buy its New York shipyard in 1970 was an error. The purchase was made partly under pressure from New York City luminaries concerned about the need to create inner city jobs, but also stemmed from Seatrain's view that it was an opportunity rich in potential for juggling government loan involvement.

The yard was outdated and had no skilled workforce. When Seatrain started building very large crude carriers in the run-up to the 1973-74 oil tanker market crash, the error was compounded into devastating proportions. Seatrain announced a $46m write-off when it closed the yard and has since said it underestimated the costs, aside from the problems of the tankers, which remain.

Today those four large tankers, along with a small oil refinery and two heavy lift vessels chartered to the military, are all that remain of Seatrain.

Two of the tankers have charters and present no problem. The remaining two are the subject of angry litigation in the U.S. shipping industry, because Seatrain, having built them largely with Government money based on the ships being used for international traffic, has won MARAD's agreement for them to operate in the coastal and Alaska oil trade. This favour to Seatrain has caused a storm of protest from other shipowners but appears to have been justified on the grounds that it was the only way for Seatrain to come through its problems.

According to creditors, Seatrain currently has $288m of corporate debt, of which $165m is unsecured. Most of the secured debt is held by Chase Manhattan, with most of the rest held by suppliers such as the three Italian companies which filed for bankruptcy yesterday.

Goodyear boosted by foreign profits

By Our New York Staff

GOODYEAR TIRE and Rubber, the largest U.S. tyre group, has reported a sharp improvement in its 1980 sales and profits, largely because of a rebound in its foreign business.

Net income for the year was $230.7m or $3.18 per share, up 58 per cent on the $142.2m, or $2.02 of 1979. Sales were $8.4bn, up from $8.2bn. In the fourth quarter, net income was $78.9m, or $1.09 a share, compared with $43.2m, or 60 cents. Results in 1980 were also helped by large tax losses applied against profits and changes in accounting methods which added a total $46.3m

Mr. Charles Pilliod, the chairman, said that Goodyear's three overseas operating regions had all shown improvement: Europe, Africa-Asia and Latin America. But in the U.S. recession and lower sales of cars had hampered profitability, though Goodyear had managed to cushion some of the impact by improved efficiency.

Delta puts requirements to world aircraft makers

BY DAVID LASCELLES IN NEW YORK

SPECIFCATIONS for a new short-range passenger jet have been put to the world's major aircraft manufacturers by Delta Air Lines, the highly successful Atlanta-based carrier which is in the process of defining its fleet needs for the turn of the century.

Mr. David Garrett, president, said that Airbus, the European consortium, Boeing and McDonnell Douglas had indicated an interest in competing for the jet which will carry 150 passengers and have a 400-mile range.

Eventually Delta will need about 180 of these aircraft, and is ready to place the first order in about 12-18 months, he said. However, Delta believes that other airlines would be interested in the aircraft as well, which would cost about $50m with delivery starting in 1986.

The engines for the new jet could be designed by any of the three major world manufacturers, Rolls-Royce, General Electric or Pratt and Whitney, Delta said.

As part of its long term plans, Delta may also place an order for an extra 40 Boeing 757 medium range jets for delivery in the 1990s, in addition to the 60 it ordered at the end of last year for a total $3bn, including spares.

Together, the new jet and the extra 757s would cost $7bn, Delta estimates.

These new possible purchases come on top of the 120 aircraft Delta currently has on order worth a total $5.5bn. Apart from the 757s, they include 42 of Boeing's planned 767 (another future medium range jet), 15 Lockheed 1011s (also called the TriStar), and three Boeing 727s. Altogether, Delta could end up with orders totalling $12.5bn, the company said yesterday. The airline believes it will be able to finance all this with internally-generated cash.

CBS hit by higher costs and weak sales

By Our New York Staff

CBS, THE leading U.S. television, records and publishing group, yesterday reported higher fourth quarter income and revenues, but a modest drop in profits for the full year.

Fourth quarter earnings totalled $69.6m on revenues of $1.2bn compared to earnings of $64m on revenues of $1.1bn in the same quarter the year before.

Profits for the full year totalled $193m on revenues of $4.1bn compared to earnings of $200.7m on revenues of $3.7bn in 1979.

CBS said profits in its broadcasting operations last year declined by 2 per cent because of higher programme costs, particularly for the coverage of the Presidential Election.

The company traditionally earns about 60 per cent of its profits from its broadcasting operations, which include CBS television network, CBS Radio and news, sports and entertainment broadcasting subsidiaries.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday, March 11. Closing prices on February 11

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco 13⅜ 88	75	95	95½	−0⅛	−1	14.12
CECA 11¼ 88	100	90½	91	−0⅛	−0⅞	13.65
CNE 12½ 91	100	83¾	84¼	−0⅜	−1⅜	13.89
Citicorp O/S Fin. 10 85	300	85	85⅝	−0¼	−1⅛	13.77
Citicorp O/S Fin. 12 87	200	91½	92⅜	−0¼	−1⅛	13.84
Con. Illinois O/S 9¾ 85	150	83¾	84⅛	−0½	−1⅜	14.19
Denmark 11½ 90	100	87⅜	87⅞	−0½	−1⅞	14.19
Dupont Canada 13½ 91	85	95¾	96¼	−0⅝	−1⅞	14.27
EEC 11 85 (May)	75	82½	83	−0⅜	−1⅜	13.81
EEC 11 85 (August)	70	81⅞	82⅜	0	−0⅞	13.90
EIB 13⅜ 90	100	98½	99	−0½	−1⅝	13.96
Ekportfinans 9½ 87	75	82¾	83¼	−0½	−1	13.80
Elec. de France 10 88	125	82¾	83¼	−0½	−2	13.81
Elec. de France 13 88	125	96½	97	−0⅜	−1⅜	13.74
Export Dv. Cpn. 12⅞ 87	100	95½	95⅞	−0⅝	−1⅞	13.86
Export Dv. Cpn. 9½ 88	150	84	84½	−0⅞	−1⅜	14.10
Fin. Exp. Credit 10½ 85	50	87⅞	88⅜	−0⅜	−0⅜	14.36
Finland, Rep. of 9½ 85	100	82⅞	83⅜	−0¼	−1⅛	14.46
Ford Credit O/S 14⅞ 83	150	95½	96	0	+0⅝	16.44
Ford O/S Fin. 12⅞ 85	250	88½	88⅞	−0⅛	−0⅜	16.48
Gaz de France 13½ 88	80	98⅜	98⅞	−0½	−1¼	13.89
GMAC O/S Fin. 12 87	100	89⅛	89⅞	−0⅜	−1½	14.49
GMAC O/S Fin. 12⅞ 88	100	92⅞	93⅜	−0⅝	−1⅝	14.58
Gen. Mtrs. O/S 11⅛ 87	100	89⅞	90⅜	−0⅛	−1¼	14.15
GTE Fin. 13⅜ 85 (WW)	50	98⅜	98⅞	−0⅝	−0½	14.78
Hudson's Bay 11½ 90	75	85½	86	−0⅛	−1⅛	14.32
IBM Canada 10¼ 85	50	94⅝	95⅛	−0¼	−1⅛	12.03
IBM Wld. Trade 12⅞ 88	200	95⅞	96⅜	−0⅛	−1⅜	13.38
Newfoundland 13½ 90	60	95⅞	96⅜	−0⅜	−0⅞	14.45
Nova Scotia 10¾ 90	50	81⅞	82⅜	−2⅛	−3⅛	14.34
OKB 10 85	50	88⅛	88⅝	−0⅛	−1⅜	13.82
Pemex 11½ 88	100	84⅛	84⅝	−0½	−0⅜	15.07
Quebec Hydro 11½ 92	100	84⅝	85	−0⅛	−1	14.28
Queb. Hy. 13 91 (WW)	100	93	93½	−0⅛	−2⅛	14.31
Revlease 11⅜ 85	50	92	92½	−0⅛	−0⅜	13.68
SNCF 12¾ 85	60	95⅜	95⅞	−0⅛	−1	13.75
Sven Handelsbk. 13¾ 88	45	98⅜	98⅞	−0⅜	−0⅛	14.51
Sweden 12½ 85	150	94	94½	−0½	−1⅞	14.10
Swed. Ex. Credit 12 83	50	93⅞	94⅜	−0⅛	−1	14.82
Swed. Ex. Credit 13 86	75	95⅛	95⅝	−0⅛	−0½	14.32
Unilever NV 9¾ 90	100	78⅞	79⅜	−1⅛	−2⅜	13.81
World Bank 9½ 85	200	86⅞	87⅜	−0⅜	−1⅜	13.89
World Bank 10¾ 87	300	85⅞	86⅜	−0⅜	−1	13.62

Average price changes... On day −0⅜ on week −1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅜ 90	100	88⅞	89⅜	−1⅛	−2⅜	[illegible]
Australia 8⅜ 90	250	92⅞	93⅜	−0⅛	−3	9.28
Austria, Rep. of 8⅝ 92	150	89	90	+0½	−1⅝	9.79
BFCE 8⅜ 85	100	†87	88	−1	−3⅜	9.80
CECA 7⅞ 92	150	88⅞	89⅜	+0⅜	−1⅞	9.51
CII-Honeywell 8⅞ 90	125	89	89½	+0⅞	−2⅞	10.00
Denmark 8¾ 92	100	90¾	91¼	−1⅛	−3	9.57
EIB 8½ 90	200	91⅞	92⅜	−0⅛	−3½	9.80
ESCOM 9¼ 87	100	96⅞	97⅜	+0⅛	0	9.92
Iberduero SA 9 90	100	95⅞	96⅜	−1⅛	−1⅛	9.69
Ind. Bk. Finland 8½ 90	50	90⅜	91⅛	+0⅛	−1⅞	10.04
Japan Air Lines 8½ 87	100	92	93	+0⅝	−0⅞	9.87
Japan Dev. Bank 7¾ 87	100	89½	90⅛	−0⅛	−1⅛	9.77
Kobe, City of 8 90	100	89⅞	90⅛	+0⅛	−2⅛	9.72
Midland Int. Fin. 8½ 90	150	91	92	+0⅝	−3	9.86
Norway 7¾ 85	250	93⅞	94⅜	+0⅛	+0⅛	9.43
Nuclebras 9½ 88	100	88⅞	89⅜	+0⅛	−0⅞	11.93
OKB 8⅜ 92	150	88	89	0	−2⅞	9.97
Oslo, City of 8¾ 90	80	96⅛	97⅛	−0⅛	−1½	9.25
Venezuela, R. of 9¾ 90	150	94	95⅛	+0⅛	−2⅞	10.63
World Bank 8 90	700	89	90	+0½	−1⅞	9.73
World Bank 10 86	150	100½	101⅛	−0⅛	−2⅞	9.76
World Bank 10 90	200	101⅝	102⅛	−0⅛	−2⅜	9.71

Average price changes... On day 0 on week −1⅞

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria, Rep. of 5⅞ 90	100	93½	94	−1⅝	−1⅞	6.26
Bayer Int. Fin. 5½ 92	100	95⅛	95½	−0⅞	−0⅜	5.82
Bremen, City of 6 90	50	97⅝	97⅞	−2⅛	−1⅞	6.32
Buhrm'n-Tatterode 7 90	40	†102	102½	−0½	−1⅝	6.59
Copenhagen Tele. 5⅝ 90	60	92½	93	−0⅞	−0⅞	5.78
Denmark 5⅝ 90	80	94⅛	94⅝	−0⅛	−0⅞	6.56
EIB 6¼ 94	100	92¼	92⅞	0	−2	6.36
Elec. de France 5⅞ 90	100	94⅜	94⅞	−0⅛	−1⅞	5.98
Eurofima 5⅞ 92	80	†102	102	0	−0½	5.57
F. C. H. Hypo. Bk. 6 90	80	†97⅛	98	−0½	−1	6.32
Finland, Rep. of 5⅝ 90	80	93	93½	−0⅛	+0⅛	6.60
GZB 4⅝ 89	100	84	84½	−1⅛	−0⅞	6.71
Int.-Amer. Dev. 7 90	80	101½	102⅛	−0⅛	−0½	6.70
Japan Dev. Bank 5¾ 90	100	96⅝	97	−0⅞	−0⅞	6.18
Jutland Tele. 5½ 90	50	91½	92	−1⅛	−1½	6.75
Mt. Blanc Tunnel 5½ 90	60	93½	93⅞	−1⅛	−1⅝	6.42
Nowag 5¾ 90	60	95⅛	95⅝	+0⅛	−0⅞	6.39
Nippon Tel. & T. 4⅞ 89	100	89⅛	90	−0⅞	−0⅛	5.77
Norges Komm. 4⅝ 91	100	83⅞	84⅛	−1⅛	−1½	6.50
OKB 4½ 91	100	82½	82⅞	−1	−1⅝	6.70
OKB 5 90	100	85⅜	85⅞	−0⅛	−1⅛	6.22
Oslo, City of 4½ 91	100	84⅛	84½	0	+0½	6.44
Oslo, City of 5⅝ 90	80	97⅛	98	0	+0½	6.17
Philips Lamps 5⅜ 92	100	92	92⅜	−0⅛	−0⅛	6.23
Sekisui Pre. Hms. 6 90	80	96	96⅛	−0⅛	+0⅛	6.56
Shikoku El. Pwr. 4⅝ 89	100	93½	94	−0⅝	−2⅜	5.69
Trade Dev. Fin. 6⅛ 90	50	92½	93	−0⅞	−1⅛	7.17
Voest-Alpine 5⅞ 90	80	94⅛	94½	−0⅛	−0⅜	6.55

Average price changes... On day −0⅜ on week −0⅞

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	92⅞	93⅜	0	0	8.78
Australia 8⅝ 88	20	98⅞	99⅜	−0⅛	+0⅛	8.63
EIB 7⅞ 89	12	93⅝	94⅛	−0⅛	0	8.78
Finland 5.6 83	10	91⅞	92⅜	0	+0⅛	9.09
Finland 6.8 88	10	87½	88½	+0½	+0⅛	9.16
Finland, Rep. of 8⅛ 87	15	96⅛	97½	+0⅛	0	9.00

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	80	90⅞	91⅜	−0⅛	−0⅛	12.99
CIBC 13½ 85 C$	50	†96⅛	98	−0⅛	0	13.89
CIBC 11⅛ 85 C$	80	†92⅛	93	−0⅛	−0⅛	13.78
Federal Dev. 11½ 90 C$	80	†86	87	−0⅛	+0⅛	14.14
Fst. Can. Inv. 10 84 C$	50	†88⅛	90	0	0	14.19
R. Bk. Canada 10 88 C$	40	89⅞	90⅜	−0⅛	−0⅛	12.81
Tordom Cpn. 13½ 85 C$	30	†96	96⅞	−0⅛	0	13.86
M. Bk. Denmk. 9 91 EUA	35	89⅞	90⅜	−0⅛	−1⅛	10.57
SOFTE 8⅜ 89 EUA	40	†86½	88	−0⅛	−0⅞	10.65
U. Bk. Nrwy. 9½ 90 EUA	18	97⅞	99	0	−1	9.77
Bk. Mees & H. 10 85 Fl	75	98⅛	98⅞	0	−1⅛	10.36
F. G. Hypo. 9¾ 87 Fl	60	93½	94	0	−0½	11.11
Heineken NV 10 87 Fl	100	95⅜	95⅞	+0½	−1½	10.95
Nat. Inv. Bk. 10 87 Fl	75	94⅞	95⅜	−0⅛	−2	11.08
Nat. Neder. 9½ 87 Fl	60	†93⅞	94⅛	+0⅛	−0⅛	10.80
Ned. Midd. Bk. 10 85 Fl	75	99	99½	0	−1	10.18
Aero Paris 13⅛ 87 FFr	150	95⅜	96⅜	−0⅛	−0⅛	14.02
Charb'nages 13⅞ 85 FFr	400	98⅜	99⅜	−0½	−0⅝	14.74
CECA 14½ 85 FFr	150	99½	100½	0	−0½	14.22
EIB 14⅛ 88 FFr	300	99⅛	100⅛	−0⅛	−0⅛	14.20
Finland 11 84 FFr	80	91	92	−0⅛	−0⅛	14.06
Gaz de France 11 84 FFr	150	92⅜	93⅜	−0⅞	+0⅛	13.61
La Redoute 14⅛ 85 FFr	126	95⅜	96⅜	−0⅜	−1	15.61
OKB 14 86 FFr	400	98⅞	99⅜	−0⅛	−0⅛	14.22
Utd. Mex. Sts. 14 85 FFr	150	98⅛	99⅛	−0⅛	−0⅛	14.38
Acona 14 85 £	20	94⅞	95⅜	0	+0⅜	15.42
Beneficial 14½ 90 £	20	94½	95	0	−0⅛	15.33
Beneficial 14⅛ 90 £	20	94⅜	94⅞	0	−0⅛	15.34
BNP 13½ 91 £	15	95⅞	96⅜	0	−0⅛	14.27
CECA 13½ 88 £	20	96⅝	97⅛	+0⅛	+0⅜	14.18
Citicorp O/S 13½ 90 £	50	95½	96½	+0⅛	−0⅛	14.34
Fin. for Ind. 14½ 88 £	20	100	100⅜	−0⅛	−0½	14.40
Fin. for Ind. 13⅜ 87 £	20	97⅜	97⅞	0	+0⅛	14.31
Gen. Elec. Co. 12½ 89 £	50	94½	95	+0⅛	0	13.62
Peugeot SA 14 90 £	23	94½	95	+0⅛	−0⅛	15.05
Rothschild 14⅛ 90 £	12	98½	99⅛	+0⅛	+0⅜	14.43
Swed. Ex. Cr. 15⅛ 85 £	20	103½	104⅛	+0⅛	+0½	13.92
Banobras 8⅜ 90 KD	7	†87⅛	87⅝	0	0	10.44
CCCE 8½ 91 KD	10	†82½	83	+0½	+0½	11.04
Sonatrach 8½ 90 KD	12	†88⅛	88⅝	0	0	10.53
Akzo 9⅛ 87 LuxFr	500	91½	92½	0	0	10.98
Euratom 9⅜ 88 LuxFr	500	95⅜	96⅜	−0⅛	−0½	10.61
Eurofima 10½ 87 LuxFr	500	97⅞	98⅞	−0½	−0⅝	10.83
EIB 9⅜ 88 LuxFr	600	96⅛	97⅛	0	0	10.43
Volvo 9⅜ 87 LuxFr	500	92⅜	93⅜	−0⅛	−0⅛	11.20

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0½	98⅛	98⅝	2/7	16⅝	16.81
Bank of Montreal 5¼ 90	0¼	99⅝	100⅛	18/6	19½	19.52
Bank of Tokyo 5⅛ 89	†0¼	98⅜	99⅛	25/4	19.31	19.51
BBL Int. 5 88	0⅛	98½	99	20/5	16½	16.71
Bergen Bk. A/S 6 89	†0¼	†98⅛	98⅝	29/2	18.19	18.49
BNP 5½ 88	†0⅛	99⅛	99⅝	29/4	18.69	18.81
CNT 5⅛ 86	§0½	98⅜	98⅞	16/4	13⅛	13.43
Christiania Bk. 5½ 91	†0¼	97½	98	5/5	17⅞	18.16
Citicorp O/S F. 84	†0	98⅞	99⅛	29/2	17.56	17.72
C. Itoh 5¼ 87	0⅛	98⅜	98⅞	18/3	12⅞	13.05
Co-operative Bk. 6 88	0⅛	97½	98	15/5	15½	15.80
Den Norske Credit 6 90	0⅛	97⅝	98⅛	5/5	17½	18.11
Genfinance 5⅞ 87	0⅛	98½	99	30/4	15⅛	15.32
Giro und Bank 5⅛ 91	0⅛	98⅜	98⅞	23/3	20½	20.79
GZB 5½ 89	†0¼	98⅝	99⅛	1/5	17⅞	18.05
Ind. Bank Japan 5⅛ 87	0⅛	98	98½	15/4	13.31	13.55
Ind. Bank Japan 5⅛ 88	0⅛	97⅛	97⅝	9/4	13⅛	13.44
Lloyds Eurofin 8 90 £	0⅛	95⅝	96⅛	3/7	14½	15.12
Lloyds Eurofin 5⅛ 92	0⅛	98	98½	4/6	17½	17.56
LTCB Japan 5⅛ 86	0⅛	100⅛	100⅝	13/6	20.19	20.06
Man. Hanov. O/S 5¼ 94	†0⅛	98⅜	98⅞	29/2	18⅛	18.42
Midland Intl. Fin. 5 89	0⅛	99⅝	100⅛	30/6	19.56	19.56
Midland Intl. Fin. 5⅛ 92	0⅛	98	98½	5/6	17.19	17.49
Nacional Fin. 6⅛ 88	0⅛	99⅜	99⅞	25/7	17⅞	17.86
Nat. West. 5⅜ 94	§0¼	96⅞	97⅛	14/4	13⅛	13.68
Nat. West. 5¼ 92	§0⅛	97⅛	97⅝	23/4	13.69	14.06
Nippon Credit 5⅛ 87	†0⅛	99⅛	99⅝	6/5	17.44	17.55
Sparebanken 6 87	0⅛	99⅛	99⅝	19/6	19⅞	20.08
Standard Chart. 5¼ 90	0⅛	98½	99	6/3	12.06	12.22
Svenska Hndlsbk. 5 87	0⅛	99⅛	99⅝	15/7	17.81	17.90
Bq. Ex. d'Alg. 4⅛ 89 SF	0⅛	†90⅛	91	18/6	7½	8.26

Average price changes.. On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	103½	104½	−0⅛	18.69
Canon 6½ 95	1/81	829	109⅛	110⅛	+0⅛	5.01
Credit Suisse 4⅜ 93	10/79	1278	100	102	−1	−4.81
Digitec Fin. 8½ 95	10/81	29.5	96⅛	97⅛	−0⅛	11.65
Enserch Fin. 9⅝ 94	7/80	30.25	164	165	−1	−1.44
Hanson O/S Fin. 9½ 95	1/81	1.92	103½	105⅛	+0⅛	−2.91
Ina Overseas 8⅜ 2000	4/81	42	100½	101½	+0½	10.66
Inchcape Ltd. 8 95	2/81	4.55	92	93⅛	+0⅛	1.90
Jacos 7½ 95	11/80	566	130⅛	131⅛	+0⅛	−1.95
Magnet Int. Fin. 9 95	12/80	23.25	91½	92½	−2½	54.09
Matsushita El. 7½ 95	11/80	890	102⅞	103⅞	0	7.94
MEPC 8⅜ 95	2/81	2.47	101½	102½	−0⅛	8.02
Niigata Eng. 7⅛ 95	1/81	327	106½	107½	+0½	0.86
Nissho-Iwai Co. 8 95	10/80	388	94⅞	95⅞	+0⅛	−2.41
Ricoh 6½ 95	8/80	604	119	120	+0⅛	0.13
Sumitomo M. Ind. 7 95	2/81	181	109⅛	109⅝	−0⅛	3.35
Swiss Bk. Cpn. 6⅛ 90	9/80	200	88	90	−0⅛	15.73
Taylor Woodrow 8⅜ 90	1/81	4.94	95⅛	96⅛	+0½	2.06
Transco Int. 8⅜ 95	2/81	66	88	89½	−0⅞	28.05
Tricoro 7½ 95	12/80	31.25	94	95⅛	+1⅛	8.51
Union Bk. Switz. 5 89	2/80	121.4	86½	88½	0	−13.24
Fujitsu 5 84 DM	7/79	431.5	144⅛	145⅛	+0⅞	−1.59
Sharp Cpn. 6½ 88 DM	3/80	595	140½	141½	+0⅛	−3.19
Uny Co. 6⅛ 85 DM	11/79	967.3	115⅞	116⅞	+0⅛	−0.49

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate († three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

GTE down after consumer withdrawal

By Our New York Staff

GENERAL TELEPHONE and Electronics (GTE), one of the leading U.S. telecommunications and electronics groups, had sharply lower earnings last year, reflecting the company's withdrawal from its consumer electronics business as well as higher operating costs.

But in the fourth quarter, the company reported a modest increase in earnings representing the first period of year-to-year improvement in 1980. Mr. Theodore Brophy, GTE's chairman, said this improvement partly reflected increased rates obtained by a number of GTE telephone companies.

Earnings per common share last year were $2.94 compared with $4.20 a share the year before. Consolidated net income last year totalled $477.9m compared with $645.1m.

Mr. Brophy said 1980 earnings were reduced by 93 cents a share because of the losses from the company's withdrawal from the consumer electronics business. In the fourth quarter, GTE's earnings per share from its continuing operations were $1.14 compared with $1.12 in the year-earlier quarter.

The company said consolidated income from continuing operations in the fourth quarter totalled $183.2m on revenues of $2.7bn, up from income of $172.4m on revenues of $2.4bn. Revenues last year totalled $9.98bn against $8.9bn.

Van Gelder in U.S. link

By Our Financial Staff

VAN GELDER Papier of the Netherlands and Owens-Corning Fiberglas Corporation of the U.S. have formed a joint venture to manufacture and market non-woven glass fibre mat.

The new company will be called Van Gelder-Owens-Corning VOF. New manufacturing equipment, including a 4-metre wide machine, will be installed at a Van Gelder plant in Apeldoorn. The new machine is expected to be operational by mid-1982.

Van Gelder began manufacturing non-woven glass materials in 1966. Applications included flooring, and other special purpose products. Owens-Corning is the world's leading manufacturer of glass fibre insulation and reinforcement materials.

Ampco increases Buffalo bid

By Our Financial Staff

AMPCO-PITTSBURGH has increased from $25 a share to $34 its takeover bid for Buffalo Forge, a New York pump and fan manufacturer, in an attempt to ward off Ogden Corporation, an industrial and shipbuilding group which has reached preliminary agreement to take over Buffalo in a share and cash deal. The latest Ampco offer values Buffalo at about $73m against a roughly $87m value placed on the company by the Ogden package.

Societe Generale pays less in spite of higher profits

BY GILES MERRITT IN BRUSSELS

SOCIETE GENERALE de Belgique, Belgium's biggest financial and industrial holdings group, has announced a cut in its dividend for 1980 in spite of improved net profits for the year.

Although "La Generale," which is the country's major holding company with widespread interests throughout Belgian industry, had managed to hold its dividend to BFr 140 per share during the previous three years in the face of difficult conditions, it has now declared that it will be proposing BFr 125 per share at its annual general meeting on March 17.

The reduced payout is being made on net profits which for 1980 rose to BFr 922.7m ($26.7m) from the previous year's BFr 681.7m, but still fall short of the BFr 1.05bn earned in 1978.

In a statement, Societe Generale pointed out that largely as a rsult of the depressed state of shares quoted on the Brussels Bourse, the break-up value of its own shares had at end-1980 sunk to BFr 2,611 from its BFr 3,033 calculation a year earlier.

This healthy rise in the group's net earnings, however, is already being viewed in Brussels as a welcome development that contrasts well with Societe Generale's gloomy assessment last July, when it issued a mid-year statement. At that time it drew attention to the rapid slow-down taking place in key sectors of the Belgian economy and warned that as that was coupled with high interests rates the group faced a serious increase in costs.

Deutsche Babcock cuts dividend

BY ROGER BOYES IN BONN

DEUTSCHE BABCOCK, the West German construction and engineering group, has cut its dividend from 16 per cent to 6 per cent, despite recording high sales, orders and profits for the past year.

This apparently contradictory move, announced yesterday after a supervisory board meeting, reflects the group's growing concern about its overseas exposure. The main chunk of the (as yet unspecified) profits for 1980 will be transferred to reserves to cover possible losses on overseas business, notably a DM 500m ($233m) power station contract for Kuwait which was won, against sharp competition, primarily because the group was prepared to undertake it at little more than cost price.

The Kuwait order—eight boilers for the Doha West power station-cum-desalination project—illustrates the problems facing many power station specialists in Germany. The deadlock in West Germany's nuclear energy situation, where commissioning and construction of power stations is frequently delayed for years by ecologists' protests, has led to an extremely depressed state in the domestic market for nuclear and even conventional thermal plants.

This in turn has led companies like Deutsche Babcock to diversify out of power stations and to expand overseas business.

Deutsche Babcock, which is 25 per cent owned by Iran, has traditionally done well among OPEC members, although for large-scale turnkey power station projects it has frequently been confronted with price-competitive rivals such as the Japanese. Against this backdrop, deals such as the Kuwait project have had to be booked to keep capacity in use.

Now, it seems, shareholders will have to shoulder some of the burden of this strategic risk-spreading. In 1978-79, Deutsche Babcock's balance sheet profits totalled DM 45m ($21m) against DM 41m, while attributable profits reached DM 41m against DM 37m.

Evidently, although Herr Hans Ewaldsen, the chief executive, has said 1979-80's "operating and financial results were the best for year," the proportion of attributable profits will sink dramatically.

● BMW is to take over Balcom Trading Company of Japan, the major Japanese importer of BMW cars and motor-cycles. The German company said Balcom would become a 100 per cent-owned subsidiary and be re-named BMW (Japan).

Balcom increased BMW's share of foreign car imports to Japan to 7 per cent with 3,290 units in 1980, when Japan's total car imports dropped by 25 per cent to 45,000 units from the 1979 level.

AGA raises payout after strong full year advance

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

AGA, the Swedish industrial gases and heat engineering group, proposes to raise its dividend by SKr 1.25 to SKr 7.75 a share after announcing pre-tax earnings of SKr 360m ($80m) for 1980 — up 19 per cent. The result falls within the SKr 350m-375m bracket forecast by Mr. Sven Aagrup, the managing director, in the half-year report.

Group sales grew by 16 per cent to SKr 4.5bn ($1bn). Net adjusted earnings per share are given as SKr 23 compared with SKr 20 for the previous year. At SKr 7.75 a share the total dividend cost will be SKr 53m, or SKr 9m more than the 1979 payout.

Net interest costs rose by SKr 5m to SKr 104m while exchange rate adjustments took SKr 8m from earnings against a gain of SKr 8m in 1979.

Last year AGA hived-off its industrial units into a new company, Pharos, listed on the Stockholm Stock Exchange from Monday this week. AGA shareholders were invited to subscribe to shares in the new company and about 8,000 investors at present hold 40 per cent of the stock. The formation of Pharos cost AGA SKr 17m in extraordinary items.

Earlier this week Pharos reported pre-tax earnings of SKr 42m on a SKr 538m turnover for 1980.

CTC, the heating engineering subsidiary, improved its operating income by 20 per cent to SKr 30m on sales of SKr 480m, ahead 15 per cent.

French textiles group in the red

BY OUR FINANCIAL STAFF

DOLLFUS-MIEG, the French textiles group, expects to post a FFr 30m ($6m) operating loss for 1980, compared with an operating profit of FFr 71.5m in 1979.

Net income will reflect the effects of the sale of two affiliates—Tissages de Flers and Arts Graphiques—the group said. Net icome in 1979 came to FFr 64.3m.

Consolidated sales rose by only 4.5 per cent in 1980 to FFr 4.7bn, having risen by 14.5 per cent in the first quarter. Dollfus said it was in the process of trimming its less-profitable activities.

Banco Urquijo shows 20% earnings rise

By Robert Graham in Madrid

BANCO URQUIJO, Spain's leading investment and merchant bank, reports net profits higher by 20 per cent to Pta 2.2bn ($25.8m) for 1980.

Pre-tax profits increased by 10 per cent, while a 26 per cent increase in dividends from portfolio investments allowed the bank to use tax credits on industrial dividends to reduce tax liability. Other factors aiding the bank's results were continued high interest rates and the increasing volume of foreign business.

As a sign of the continuing Spanish recession, the bank has been obliged to make further substantial provision for doubtful debts and portfolio write-downs. To cover doubtful debts the bank has set aside Pta 1.4bn, 19 per cent more than in 1979. Traditionally Urquijo has been heavily involved in base sectors of the economy.

The bank has been able to cut operating costs, reducing them to 1.76 per cent of the balance sheet, against 2.09 per cent in 1979 and an average of 3.5 per cent for Spanish banks as a whole.

Deposits during the year increased by 19 per cent to Pta 345bn, while within a 7 per cent increase in advances in foreign currency loans grew by 21 per cent.

AMERICAN QUARTERLIES

H. F. AHMANSON

	1980	1979
Fourth quarter	$	$
Revenue	366.8m	323.9m
Net profits	18.96m	29.25m
Net per share	0.80	1.28
Year		
Revenue	1.37bn	1.21bn
Net profits	54.32m	117.1m
Net per share	2.34	5.11

AMETEK

	1980	1979
Fourth quarter	$	$
Revenue	99.8m	96.1m
Net profits	4.83m	4.65m
Net per share	0.45	0.44
Year		
Revenue	400.2m	392.9m
Net profits	21.67m	22.44m
Net per share	2.02	2.11

AMF

	1980	1979
Fourth quarter	$	$
Revenue	393.3m	363.2m
Net profits	12.6m	9.1m
Net per share	0.61	0.45
Year		
Revenue	1.54bn	1.44bn
Net profits	56.6m	52.6m
Net per share	2.76	2.59

ANCHOR HOCKING

	1980	1979
Fourth quarter	$	$
Revenue	224.3m	215.9m
Net profits	11.03m	10.09m
Net per share	1.08	0.98
Year		
Revenue	857.5m	785.2m
Net profits	28.79m	26.42m
Net per share	2.81	2.58

BENEFICIAL CORPORATION

	1980	1979
Fourth quarter	$	$
Net profits	27.0m	13.7m
Net per share	1.02	0.49
Year		
Net profits	94.0m	101.1m
Net per share	3.45	4.24

CLUETT PEABODY

	1980	1979
Fourth quarter	$	$
Revenue	200.8m	184.6m
Net profits	3.86m	6.12m
Net per share	0.39	0.65
Year		
Revenue	738.6m	659.3m
Net profits	15.6m	17.38m
Net per share	1.60	1.78

CONRAC

	1980	1979
Fourth quarter	$	$
Revenue	37.8m	36.6m
Net profits	1.27m	1.49m
Net per share	0.56	0.67
Year		
Revenue	146.6m	137.2m
Net profits	4.67m	4.8m
Net per share	2.05	2.15

CONTINENTAL CORPORATION

	1980	1979
Fourth quarter	$	$
Net profits	26.4m	77.6m
Net per share	0.52	1.45
Year		
Net profits	192.5m	287.2m
Net per share	3.74	5.35

CROWN LIFE INSURANCE

	1980	1979
Year	$	$
Revenue	1.01bn	864.2m
Net profits	23.9m	26.3m
Net per share	11.93	13.17

EMERY AIR FREIGHT

	1980	1979
Fourth quarter	$	$
Revenue	142.5m	134.6m
Net profits	6.55m	4.45m
Net per share	0.42	0.28
Year		
Revenue	552.7m	520.1m
Net profits	21.56m	22.58m
Net per share	1.39	1.46

ENVIROTECH

	1981-80	1980-79
Nine months	$	$
Revenue	310.4m	287.1m
Net profits	1.83m	†1.29m
Net per share	0.40	†0.28

FIELDCREST MILLS

	1980	1979
Fourth quarter	$	$
Revenue	157.1m	151.0m
Net profits	7.25m	7.68m
Net per share	1.96	2.03
Year		
Revenue	527.2m	517.7m
Net profits	19.44m	24.78m
Net per share	4.66	6.56

FLEMING COMPANIES

	1980	1979
Fourth quarter	$	$
Revenue	700.7m	—
Net profits	6.5m	5.3m
Net per share	1.07	0.84
Year		
Revenue	2.82bn	2.51bn
Net profits	20.7m	16.4m
Net per share	3.25	2.61

GRUMMAN

	1980	1979
Fourth quarter	$	$
Revenue	497.3m	428.3m
Net profits	10.22m	7.08m
Net per share	0.78	0.56
Year		
Revenue	1.78bn	1.49bn
Net profits	30.67m	19.57m
Net per share	2.35	2.06

G. HEILEMAN BREWING

	1980	1979
Fourth quarter	$	$
Revenue	196.4m	174.6m
Net profits	7.06m	6.05m
Net per share	0.80	0.69
Year		
Revenue	940.8m	857.3m
Net profits	34.69m	27.33m
Net per share	3.98	3.15

WALTER E. HELLER INTERNATIONAL

	1980	1979
Fourth quarter	$	$
Revenue	198.6m	178.3m
Net profits	11.43m	11.19m
Net per share	0.96	0.94
Year		
Revenue	747.9m	611.0m
Net profits	43.01m	40.38m
Net per share	3.61	3.40

IC INDUSTRIES

	1980	1979
Fourth quarter	$	$
Revenue	1.12bn	1.06bn
Net profits	44.8m	46.8m
Net per share	2.40	2.59
Year		
Revenue	4.14bn	3.73bn
Net profits	120.7m	107.4m
Net per share	6.02	5.31

OSCAR MAYER

	1981-80	1979
First quarter	$	$
Revenue	461.6m	410.1m
Net profits	11.38m	11.52m
Net per share	0.71	0.72

McMURAN OIL AND GAS

	1981-80	1979-80
Second quarter	$	$
Revenue	13.6m	10.1m
Net profits	2.9m	1.94m
Net per share	0.10	0.07
Six months		
Revenue	27.0m	17.8m
Net profits	12.5m	3.39m
Net per share	0.66	0.14

PACIFIC LUMBER

	1980	1979
Fourth quarter	$	$
Revenue	71.1m	72.3m
Net profits	10.23m	11.65m
Net per share	0.84	0.97
Year		
Revenue	289.5m	258.4m
Net profits	42.08m	48.81m
Net per share	3.48	4.06

RYDER SYSTEM

	1980	1979
Fourth quarter	$	$
Revenue	454.98m	393.97m
Net profits	17.61m	15.85m
Net per share	1.07	0.94
Year		
Revenue	1.69bn	1.45bn
Net profits	56.52m	62.96m
Net per share	3.32	3.73

SUNBEAM

	1980-81	1979-80
Third quarter	$	$
Revenue	505.8m	436.9m
Net profits	18.3m	15.7m
Net per share	1.25	1.05
Nine months		
Revenue	1.15bn	1.05bn
Net profits	38.2m	36.3m
Net per share	2.54	2.44

TAMPAX

	1980	1979
Fourth quarter	$	$
Revenue	48.32m	39.17m
Net profits	6.74m	7.73m
Net per share	0.60	0.69
Year		
Revenue	202.9m	194.8m
Net profits	36.32m	41.71m
Net per share	3.22	3.70

TESORO PETROLEUM

	1980-81	1979-80
First quarter	$	$
Revenue	865.7m	1.03bn
Net profits	23.4m	34.36m
Net per share	1.44	2.57

THOMAS AND BETTS

	1980	1979
Fourth quarter	$	$
Revenue	61.7m	57.4m
Net profits	7.38m	7.24m
Net per share	0.96	0.95
Year		
Revenue	254.0m	226.4m
Net profits	32.5m	30.02m
Net per share	4.22	3.91

TRANSCO COMPANIES

	1980	1979
Fourth quarter	$	$
Revenue	619.5m	468.3m
Net profits	33.67m	23.32m
Net per share	1.31	0.97
Year		
Revenue	2.63bn	1.53bn
Net profits	120.3m	66.29m
Net per share	4.72	2.96

WESTBURNE INTERNATIONAL

	1980-81	1979-80
Nine months	C$	C$
Revenue	870.0m	694.0m
Net profits	22.0m	17.0m
Net per share	2.30	2.25

UNITED MERCHANTS AND MFRS.

	1981-80	1980-79
Second quarter	$	$
Revenue	171.3m	155.9m
Net profits	3.79m	3.45m
Net per share	0.64	0.58
Six months		
Revenue	308.4m	288.3m
Net profits	†2.39m	5.12m
Net per share	†0.48	0.86

† Loss.

Profits steady at Cross Harbour

By Adrian Boven in Hong Kong

THE Cross Harbour Tunnel Company, which operates a vehicle tunnel under the Hong Kong harbour, yesterday reported that traffic congestion in the tunnel has kept profits virtually static this year, and it hinted at increased toll fees to solve the problem. After tax earnings for the nine months to December 31 came to HK$93.36m, fractionally down on an annual basis from profits for the full year to March 31, 1980 of HK$124.58m.

The figures show that the greatest pinch was felt in the last three months of the period, since profits of HK$62.69m at the interim stage on September 30 were still 5.5 per cent up from the previous year's interim profits of HK$59.43m. The previous full year's profits were 18.3 per cent higher than the year before, in line with the history of steady profit growth since the company was floated in 1974.

The reporting period was shortened to nine months, to conform with a change in the year end to December 31, from March 31, by the Wheelock Marden Group, the company's controlling shareholder.

The final dividend was maintained at 30 cents a share, but total dividends for the period of 75 cents a share still show an 11 per cent improvement on an annual basis over the previous year's. However, the projected dividends of HK$1 a share for the full year to next December 31, are the same on the adjusted basis as the 75 cents now being paid.

The company has asked the Government for permission to increase capacity in the tunnel by 35 per cent through the construction of a mezzanine deck in one of the tunnels tubes, but it announced yesterday that approval was withheld because approach roads could not be upgraded at the same time.

ARAB INVESTMENT

Diversifying from a dollar base

BY JAMES BUCHAN

MOVES to diversify the investment channels for Arab surplus funds are gaining momentum. The weakness of the U.S. dollar in the exchanges and fears that President Carter's freezing of Iranian assets in the U.S. in 1979 might set a precedent have already provided the Arab states with an incentive to broaden their financial portfolios by country and currency. But the sheer scale of investment funds since the doubling of oil prices in 1979 as meant that Arab funds in the U.S. and the dollar are falling only in proportion to total Arab holdings.

At the same time, persistent inflation in the industrial countries has diminished the attraction of financial assets compared with such tangible assets as equity and real estate.

A call to Arab oil-producing states to protect their investments by shifting, over a period of years, a majority of their accumulated funds from the financial sector to tangible assets, has now been made by Mr. Hikmat S. Nuwayhid, banking and finance manager of the Kuwait Industrial Bank, a partly State owned commercial bank. He believes that only 12.3 per cent of the $236bn invested abroad by the Arab oil producers between 1974 and 1979 went into tangible assets. Writing in the Organisation of Arab Petroleum Exporting Countries bulletin, he estimates that the Arab oil producers net foreign assets will stand at $355bn by the end of this year, with some $150bn in the name of Saudi Arabia.

Mr. Nuwayhid recommends that OAPEC countries shift up to 60 per cent of these accumulated foreign assets, as well as annual surpluses, into tangible assets. He suggests that this should be done over a period of 10-15 years.

A newly published report by Chase Manhattan Bank suggests that the Arab oil producers will use an increasing amount of their surpluses for equity investment, not only in the industrial world, but also in other Arab countries and the Third World.

> Arab states face the problem of where to invest mounting revenues from oil. The way in which they are widening the scope of their investments has been under study by, among others, Chase *Manhattan Bank*

The report warns, however, against attempts to generalise about Arab government investment strategy. For example, it says, Kuwait is the only OAPEC state to place a specific portion *of its revenue into a fund to* supply the country with income after oil reserves have been depleted. Saudi Arabia, however, tends to argue that it will need to repatriate its surplus funds one day for development, and has preferred to keep its assets as liquid as possible. Hence, while the Kuwaiti Government *has invested heavily in London* property, the Saudi Arabian Monetary Agency (SAMA) has never bought foreign real estate, even indirectly.

So far, Arab Government funds have been channelled overwhelmingly into portfolio investment — U.S. Government debt primarily, bank deposits and some equity, although rarely with any management ambitions. The Kuwait Ministry of Finance, for example, is believed to have spread its equity investment to the extent of taking between $1m and $50m of the stock in almost every one of the top 500 companies in the U.S. The report suggests that Arab Governments remain highly sensitive to hostile, or Xenophobic, attitudes in countries in which they invest.

The Chase report does not suggest any major shift of Arab *Government funds away from* the U.S. or from the dollar, mainly because no other market or currency can compete in scale. Despite some diversification since the Iranian asset freeze, according to the report, as much as 75 per cent of SAMA's foreign assets is still held in the currency for which Saudi Arabia is paid for its oil. The Chase analysts, however, expect an increasing use of government-to-government loans such as those made recently by Saudi Arabia to West Germany and Japan.

One major change is that, as development programmes proceed in the Gulf and Saudi Arabia, a greater proportion of Arab funds will flow down to Arab businessmen and a greater proportion of foreign investment will be by the private sector. This will be the case particularly in Saudi Arabia, where the new $300bn development plan will swell the estimated $20bn of private Saudi capital that has forced its way abroad.

The U.S., it is said, will continue to be the most highly favoured place for Arab private investment, despite discomfort at U.S. regulations about disclosure which run counter to Arab notions of confidentiality in business. It is such a love of secrecy that has encouraged the plethora of investment companies in Kuwait and, more recently, Saudi Arabia. The UK, largely for reasons of language, is preferred to other Western European countries, while Chase finds growing interest in the Far East, particularly from Saudi investors.

A key factor in future investment in the West is expected to be occational bouts of chauvinism, particularly in the U.S. But any fears, it is said, that the Arabs might be "buying up America" are belied by the estimate that only 0.05 per cent of U.S. farmland changing hands every year passes into Arab ownership.

* *Arab Investors: Who they are, what they buy, and where Vol. I: Investment outside the Arab world by John Law; Chase Worldinformation Corp., New York $300*

Edgars shows strong advance

BY DES KILALEA IN JOHANNESBURG

EDGARS, South Africa's leading retailer, had a pretax profit above expectations for the six months ended January 3, 1980, and although economic growth rates are expected to slow below the 51 per cent profit increase, the company plans to boost annual sales by 19 per cent over each of the next three years to R500m ($653m).

As in the 1980 financial year, the clothing, footwear and textile group reaped the benefits of an internal productivity drive which allowed profits to rise to R26.9m ($35.1m) compared with R17.9m, while turnover increased more slowly at 35 per cent to R195m (R142m).

The growth in turnover compares with a national average increase of some 20 per cent in the clothing, footwear and textiles retail sector

With strong liquidity, a function of LIFO accounting, large profit increases and strict asset control—as evidenced by a low 12 per cent increase in capital employed for the period—the interim dividend has been raised from 140 cents to 205 cents a share.

The group, which operates 421 chain stores throughout South Africa and its neighbouring territories, added 23,000 sq metres to its shop floor area in the six-month period and a further expansion of some 7,000 sq metres is scheduled for the second six months.

Mr. Adrian Bellamy, the managing director, says that the second six months have started on a promising note. Turnover this year of around R390m is almost assured and productivity *gains are continuing.*

* * *

CALAN, the South African plastics, rubber, electrical and footwear group, has reported a 20 per cent advance in earnings from 45.1 cents to 54.2 cents a share for the six months to December and has declared an interim dividend of 13 cents, compared with 11 cents a share. Mr. Peter Grobbelaar, the chairman, is satisfied with the results and expects his forecast of 15 per cent real growth for the full financial year to be met, indicating earnings of some 125 cents a share against 100 cents.

First-half turnover rose by 21.3 per cent to R106.5m ($139m) from R87.8m and pretax profit was 48.3 per cent higher at R7.4m against R5m), giving a gross margin of 7 per cent, compared with 5.7 per cent. With the sale late last year of Barlan Forms to Barlows, however, the net contribution from associate companies fell to R239,000 from R472,000.

The second half should show a greater earnings improvement as the previous loss-making subsidiary, Natyre, swings into profit, and new acquisitions in the footwear and lighting divisions make contributions.

Aquila Steel looks for higher bid

By James Forth in Sydney

THE DIRECTORS of Aquila Steel say the company's prospects justify a much higher price than the A$35m (U.S.$40m) cash takeover bid from Pioneer Sugar Mills. They advised shareholders yesterday to retain their holdings for the present and said that their best interests would be served by *awaiting* benefits to flow from improved results.

They pointed to a recent downturn by stating that profits for the December half-year were modest although shareholders were told in November that results for the first four months were 50 per cent higher.

Pioneer Sugar, which is offering A$2.55 a share, holds 18 per cent of Aquila's capital.

The Aquila directors, who control more than 43 per cent, said they realised that the company had been through two years of depressed profitability, but they were looking to much improved results that would justify a considerably higher price.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	10.2.81	3.2.81	AVERAGE YIELD	10.2.81	3.2.81
DM Bonds	90.27	91.73	DM Bonds	9.695	9.394
HFL Bonds & Notes	92.96	93.40	HFL Bonds & Notes	10.381	10.281
U.S. $ Strt. Bonds	85.18	86.72	U.S. $ Strt. Bonds	12.695	12.584
Can. Dollar Bonds	88.22	88.98	Can. Dollar Bonds	12.657	12.513

Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar steady

Dollar maintained its firm undertone in currency markets yesterday, with trading at a low level ahead of today's national holiday in the U.S. There were no new factors in the market, with the dollar still bolstered by tight Federal monetary policy. There was also a slight hardening in Euro-dollar rates yesterday.

Sterling was hardly changed overall, with very little to influence the market at the moment ahead of the March Budget, where a majority of the market anticipates a cut in MLR.

European currencies showed mixed changes in a quiet market. Within the European Monetary System the D-mark recovered slightly to be placed above the Belgian franc, while the French franc remained at the top of the system, and the Italian lira at the lower end.

DOLLAR — trade-weighted index (Bank of England) was unchanged at 99.4. The dollar was slightly firmer yesterday in predominantly narrow trading, but it finished below its best level of the day, possibly reflecting some reduction in long positions ahead of the U.S. holiday period. Against the D-mark it finished at DM 2.1490 compared with DM 2.1480 on Tuesday, and a high of DM 2.1575. In terms of the Swiss franc it closed at SwFr 1.9540 against SwFr 1.9500, and Y203.9 from Y203.85 against the Japanese yen.

STERLING — trade-weighted index (Bank of England) was unchanged at 104.2, having stood at 104.1 at noon and 104.2 in the morning. Against the dollar it opened at $2.3360-2.3370 and reached a high of $2.3380-2.3390, before coming back during the afternoon to $2.3320-2.3330. However as the dollar weakened so sterling recovered to close at $2.3370-2.3380, a rise of just 5 points from Tuesday's close in London. The pound was also very steady against European currencies, showing just a small improvement in places.

D-MARK — Remaining weak near the bottom of the European Monetary System, reflecting Germany's poor balance of payments position and slower than expected economic growth rate. The recent rise of the U.S. dollar has prompted large intervention by the Bundesbank in the foreign exchange market, while tension in Poland remains a market factor—The D-mark was weaker overall at yesterday's fixing in Frankfurt in quiet and featureless trading. Dollar trading appeared to be restricted to small commercial demand ahead of today's holiday in the U.S. The Bundesbank intervened at the fixing to sell a nominal $14.35m, but was probably not active in the open market. Against the French franc the D-mark was slightly firmer. The franc slipped to DM 43.38 per FFr 100 from DM 43.39, and a ceiling level of DM 43.415, while the Belgian franc improved to DM 6.238 per BFr 100 from DM 6.232. Outside the EMS, the dollar rose to DM 2.1493 from DM 2.1405, and sterling was higher at DM 5.0200 compared with DM 5.0040 on Tuesday.

DANISH KRONE—Showing a weaker trend against most major currencies since the beginning of the year, having been held steady against the depreciating Deutsche Mark. However the krone remains as one of the stronger members of the EMS—The krone was mostly weaker at yesterday's fixing in Copenhagen, losing ground in terms of the dollar and sterling. However it was firmer against the Deutsche Mark with the latter easing to DKr 3.0708 against DKr 3.0715. The dollar rose to DKr 6.5960 from DKr 6.5585, and sterling was higher at DKr 15.4170 compared with DKr 15.3440. Elsewhere the Swiss franc fell to DKr 3.3865 from DKr 3.3870.

THE POUND SPOT AND FORWARD

Feb. 11	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3320-2.3390	2.3370-2.3380	0.50-0.60c dis	−2.82	2.25-2.35dis	−3.93
Canada	2.7930-2.7980	2.7955-2.7965	0.75-0.85c dis	−3.43	2.88-3.00dis	−4.18
Nethlnd.	5.43-5.47	5.44¼-5.45¼	2½-1½c pm	4.13	5-4 pm	3.30
Belgium	80.40-80.80	80.55-80.65	15-5c pm	1.49	15-5 pm	0.50
Denmark	15.38-15.44	15.42½-15.43½	par-1½ore dis	−0.58	2½-4½ dis	−0.95
Ireland	1.3420-1.3500	1.3480-1.3490	par-0.13p dis	−0.58	0.23-0.38dis	−0.90
W. Ger.	5.01-5.04	5.02-5.03	2½-1½pf pm	3.88	4½-3½ pm	2.88
Portugal	130.90-131.50	131.20-131.40	85c pm-35 dis	2.28	105pm-130dis	−0.38
Spain	199.10-199.75	199.60-199.70	25-75c dis	−3.00	190-270 dis	−4.61
Italy	2,373-2,378	2,375½-2,377½	6-8lire dis	−3.53	27½-30½ dis	−4.82
Norway	12.65-12.71	12.69-12.70	½ore pm-par	0.24	2½-1½ pm	0.43
France	11.55½-11.59½	11.57½-11.58½	4-3c pm	3.63	7½-6½ pm	2.42
Sweden	10.72-10.77	10.73½-10.74½	3½-3⅞ore dis	−3.91	13½-14½ dis	−5.18
Japan	472-480	476½-477½	2.15-1.90y pm	5.10	5.35-5.10 pm	4.38
Austria	35.50-35.65	35.56-35.63	14½-12½gro pm	4.51	34-28 pm	3.48
Switz.	4.54½-4.58½	4.56½-4.57½	3¼-2¾c pm	7.22	7¼-6½ pm	5.91

Belgian rate is for convertible francs. Financial franc 80.85-80.95. Six-month forward dollar 4.95-5.05c dis. 12-month 8.15-8.35c dis.

THE DOLLAR SPOT AND FORWARD

Feb. 11	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3320-2.3390	2.3370-2.3380	0.50-0.60c dis	−2.82	2.25-2.35dis	−3.93
Ireland†	1.7310-1.7375	1.7315-1.7330	0.30-0.40c dis	−2.42	1.30-1.40dis	−3.12
Canada	1.1960-1.1995	1.1965-1.1968	0.08-0.11c dis	−0.95	0.12-0.17dis	−0.48
Nethlnd.	2.3280-2.3375	2.3330-2.3345	1.49-1.39c pm	7.40	4.30-4.20 pm	7.28
Belgium	34.46-34.55	34.47-34.49	15-13½c pm	4.86	30-37 pm	4.46
Denmark	6.5900-6.6050	6.6025-6.6050	1½-1ore pm	2.27	5-4½ pm	2.88
W. Ger.	2.1430-2.1575	2.1485-2.1495	1.25-1.20pf pm	6.84	3.72-3.67 pm	6.88
Portugal	55.95-56.25	56.15-56.25	50c pm-par	5.34	100pm-par	3.58
Spain	85.23-85.50	85.41-85.46	15c pm-10 dis	0.35	par-25 dis	−0.58
Italy	1,016-1,018½	1,016¼-1,017¼	½lire pm-½ dis	—	2-3½ dis	−1.08
Norway	5.4170-5.4390	5.4360-5.4380	1.90-1.40ore pm	3.64	5.90-5.40 pm	4.16
France	4.9380-4.9650	4.9500-4.9550	2.83-2.73c pm	6.72	8.05-7.85 pm	6.41
Sweden	4.5960-4.5990	4.5975-4.5985	0.20-0.35ore dis	−0.72	0.70-0.95dis	−0.72
Japan	203.25-204.50	203.85-203.95	1.45-1.30y pm	8.09	4.30-4.15 pm	8.28
Austria	15.19-15.26	15.24½-15.25½	9.80-9.20gro pm	7.47	29.50-27.50pm	7.47
Switz.	1.9470-1.9595	1.9535-1.9545	1.74-1.64c pm	10.38	4.94-4.86 pm	10.03

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Feb. 11	Bank of England Index	Morgan Guaranty Changes%
Sterling	104.2	−23.0
U.S. dollar	99.4	−4.7
Canadian dollar	84.8	−18.5
Austrian schilling	113.7	+20.7
Belgian franc	107.9	+9.6
Danish kroner	89.6	−10.1
Deutsche mark	117.7	+37.0
Swiss franc	132.7	+72.8
Guilder	112.5	+15.8
French franc	86.7	−9.2
Lira	61.6	−53.4
Yen	149.4	+44.8

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 10	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.529275	0.516172
U.S. $	13	1.23834	1.21018
Canadian $	17.11	1.48488	1.45168
Austria Sch.	6¾	18.7410	18.4010
Belgium F.	13	42.5370	41.6790
Danish K.	11	8.11732	7.98867
D mark	7½	2.65067	2.60181
Guilder	8	2.87790	2.82055
French Fr.	9½	6.11368	5.99831
Lira	16½	1255.99	1230.56
Yen	7¼	252.621	246.932
Norwgn. Kr.	9	6.68084	6.55866
Spanish Pts.	8	105.307	103.887
Swedish Kr.	12	5.66776	5.56630
Swiss Fr.	3½	2.40325	2.36133
Greek Dr'ch.	—	—	61.3146

OTHER CURRENCIES

Feb. 11	£	$		£ Note Rates
Argentina Peso	5255-5275	2250-2260	Austria	35.30-35.70
Australia Dollar	2.0035-2.0075	0.8580-0.8585	Belgium	80.50-81.30
Brazil Cruzeiro	163.73-164.73	70.16-70.51	Denmark	15.30-15.45
Finland Markka	9.431-9.447	4.0450-4.0470	France	11.50-11.60
Greek Drachma	117.071-120.846	50.80-50.90	Germany	5.00¼-5.04½
Hong Kong Dollar	12.35-12.57	5.2910-5.2940	Italy	2485-2515
Iran Rial	173.95*	74.10*	Japan	475-481
Kuwait Dinar(KD)	0.634-0.640	0.2728-0.2730	Netherlands	5.41½-5.46½
Luxembourg Frc.	80.55-80.65	34.47-34.49	Norway	12.59-12.69
Malaysia Dollar	5.2325-5.2425	2.2415-2.2435	Portugal	128-139
New Zealand Dlr	2.4780-2.4850	1.0605-1.0615	Spain	193½-202½
Saudi Arab. Riyal	7.77-7.83	3.3390-3.3410	Sweden	10.72-10.82
Singapore Dollar	4.8450-4.8550	2.0755-2.0775	Switzerland	4.55½-4.58
Sth African Rand	1.7905-1.7925	0.7660-0.7670	United States	2.32¾-2.34½
U.A.E. Dirham	8.54-8.60	3.6710-3.6730	Yugoslavia	83-85½

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 11	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	41.7321	+4.88	+1.02	±1.53
Danish Krone	7.72336	7.98623	+3.40	−0.46	±1.64
German D-Mark	2.48208	2.60149	+4.81	+0.95	±1.125
French Franc	5.84700	5.99859	+2.59	−1.27	±1.3557
Dutch Guilder	2.74362	2.82150	+2.84	−1.02	±1.512
Irish Punt	0.668201	0.698043	+4.47	+0.61	±1.668
Italian Lira	1157.79	1231.32	+6.35	+2.63	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Feb. 11	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.338	5.025	476.8	11.578	4.570	5.453	2377.	2.796	80.60
U.S. Dollar	0.428	1.	2.150	204.0	4.953	1.955	2.333	1017.	1.196	34.48
Deutschemark	0.199	0.465	1.	94.88	2.304	0.909	1.085	472.9	0.556	16.04
Japanese Yen 1,000	2.098	4.903	10.54	1000.	24.28	9.586	11.44	4985.	5.865	169.1
French Franc 10	0.864	2.019	4.340	411.8	10.	3.947	4.710	2053.	2.415	69.62
Swiss Franc	0.219	0.511	1.100	104.3	2.533	1.	1.193	520.0	0.612	17.64
Dutch Guilder	0.183	0.429	0.922	87.44	2.123	0.838	1.	435.9	0.513	14.78
Italian Lira 1,000	0.421	0.984	2.114	200.6	4.872	1.923	2.294	1000.	1.177	33.92
Canadian Dollar	0.358	0.836	1.797	170.5	4.141	1.634	1.950	850.0	1.	28.83
Belgian Franc 100	1.241	2.900	6.234	591.5	14.36	5.670	6.765	2949.	3.469	100.

FT LONDON INTERBANK FIXING (11.00 a.m. FEBRUARY 11)

3 months U.S. dollars		6 months U.S. dollars	
bid 17 3/16	offer 17 5/16	bid 17 1/8	offer 17 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Feb. 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14⅛-14⅜	17-17¼	17-18	9-9⅛	3¾-4	8⅞-9	10½-10⅝	16-17	10½-11	8¼-8½
7 days' notice	14¼-14½	17⅛-17⅜	17-18	9 1/16-9 3/16	3¾-4	9 1/16-9 3/16	10½-10¾	15¾-17¾	11¾-12	8 7/16-8 9/16
Month	14 1/16-14⅜	16 15/16-17 1/16	17⅞-18¼	9 5/16-9 7/16	6 1/16-6 3/16	9¾-9⅞	10¼-10½	17½-18½	12 1/16-12 3/16	8 7/16-8 9/16
Three months	13 15/16-13 3/16	17⅛-17⅜	17½-17⅞	9 5/16-9 7/16	6 7/16-6 9/16	10⅛-10¼	10 7/16-10 9/16	18-19	12 11/16-12 13/16	8⅜-8⅝
Six months	12⅞-13	17 1/16-17 3/16	16⅝-17	9 5/16-9 7/16	6 11/16-6 13/16	10⅛-10¼	11 7/16-11 9/16	18¾-19¾	12 11/16-12 13/16	8 7/16-8 9/16
One Year	12¾-12⅞	16 7/16-16 9/16	15½-15⅞	10-10⅛	6¾-6⅞	10-10⅛	12½-12¾	18¾-19¾	13-13¼	8 7/16-8 9/16

SDR linked deposits: one-month 13¾-13⅞ per cent; three months 13 13/16-13 15/16 per cent; six months 13 13/16-13 15/16 per cent; one year 12 13/16-13 1/16 per cent.
Asian $ (closing rates in Singapore) one-month 17⅛-17¼ per cent; three months 17 3/16-17 5/16 per cent; six months 17-17⅛ per cent, one year 15 13/16-16 1/16 per cent.
Long-term Eurodollars two years 15½-15¾ per cent; three years 15¼-15½ per cent; four years 15-15¼ per cent; five years 14¾-15 per cent; nominal closing rates.
Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.
The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.30-17.40 per cent; three months 17.25-17.35 per cent; six months 16.90-17.00 per cent; one year 15.70-15.80 per cent.

INTERNATIONAL MONEY MARKET

Dutch rates steady

Dutch interest rates showed little change yesterday reflecting the relative calm in the Amsterdam money market at the moment. Attention yesterday was beginning to focus on West German money markets, with many dealers expecting a rise in Germany's key lending rates, to help prop up a weak D-mark. Such a move could lead to a rise in Dutch interest rates, while others argue that given the current strength of the guilder within the European Monetary System, the Dutch authorities can afford to leave the discount rate at its present level of 8 per cent and Lombard rate at 9 per cent. In the money market, call money was quoted at 9-9⅛ per cent, unchanged from Tuesday, with longer term rates up to a year also unchanged.

In Frankfurt interbank money rates continued to show a firmer tendency. Call money rose to 9.25-9.30 per cent compared with 9.20-9.30 per cent on Tuesday, and three-month money was higher at 9.95-10.10 per cent against 9.90-10.05 per cent. One-year money appeared to be firmly established in double figures at 10.10-10.25 per cent from 9.95-10.15 per cent previously. Meanwhile the German Economic Research Institute put the authorities under further pressure, in its weekly report, to reduce interest rates and relax their tight monetary policy in order to help overcome West Germany's deepening recession.

UK MONEY MARKET

Free supply

Bank of England Minimum Lending Rate 14 per cent (from November 24, 1980)

Day to day credit was in good supply in the London money market yesterday, and in the absence of any mopping up by the authorities, discount houses were able to pick up balances as low as 10 per cent. The surplus was due to a moderate excess of Government disbursements over revenue transfers to the Exchequer, and balances brought forward by banks a small way above target. Discount houses initially paid up to 13½ per cent for secured call loans before rates fell away later in the day.

In the interbank market overnight loans opened at 14⅛-14½ per cent and eased gradually to finish between 10 per cent and 12 per cent.

GOLD

Further fall

Gold fell $14 an ounce in the London bullion market yesterday to close at $499-502. A reduction in the tension in Poland was seen as one of the main reasons behind the fall, although interest in gold in recent weeks has been generally lacking, as the dollar shows signs of recovery and U.S. interest rates remain high. It opened at $505-508, and eased steadily during the day through two fixing levels of $505 and $501, to touch a low of $498-501. In early New York trading it was hovering around the $500 level.

In Paris the 12½ kilo bar was fixed at FFr 88,500 per kilo ($555.31 per ounce) in the afternoon, compared with FFr 88,800 ($557.80) in the morning and FFr 89,850 ($566.06) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,910 per kilo ($505.52 per ounce) against DM 35,630 ($519.01), and closed at $499-502 compared with $518-521 on Tuesday.

In Zurich gold finished at $499-502 per ounce from $518-521.

	Feb. 11		Feb. 10	
Gold Bullion (fine ounce)				
Close	$499-502	(£213½-214¾)	$513-516	(£219¼-220¾)
Opening	$505-508	(£216-217½)	$516-519	(£220-221½)
Morning fixing	$505	(£215.997)	$517.75	(£221.213)
Afternoon fixing	$501	(£214.589)	$519.50	(£222.294)
Gold Coins				
Krugerrand	$516-518	(£220¾-221½)	$531-533	(£227¼-228)
1/2 Krugerrand	$264-268	(£113-114½)	$274-278	(£117¼-119)
1/4 Krugerrand	$134-138	(£57¼-59)	$139-143	(£59½-61¼)
1/10 Krugerrand	$56-60	(£24-25½)	$56½-60½	(£24-25¾)
Mapleleaf	$513-515	(£219½-220¼)	$526-528	(£225¼-226)
New Sovereigns	$126-127	(£53¾-54¼)	$130-131	(£55½-56)
King Sovereigns	$151-153	(£64½-65½)	$153-155	(£65½-66½)
Victoria Sovs.	$151-153	(£64½-65½)	$153-155	(£65½-66½)
French 20s	$171-174	(£73-74½)	$170-173	(£72¾-74)
50 pesos Mexico	$624-629	(£267-269)	$640-645	(£274-276)
100 Cor. Austria	$487-492	(£208¼-210½)	$500-505	(£214-216)
$20 Eagles	$631-636	(£270-272)	$642-647	(£274½-277)

LONDON MONEY RATES

Feb. 11 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-14½	14	—	—	13-14⅛	10-13¾	—	—	—
2 days notice	—	—	14¼-14¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14-14⅛	14⅛-14¼	—	—	—	—	—	—	—
One month	14 7/16-14 9/16	14 7/16-14 9/16	14⅜-14¼	15⅝-15	14½	14⅝-14¾	13¾-13⅞	—	—	—
Two months	13 15/16-13⅝	13 13/16-13⅞	—	14¼-13⅞	14⅜	14½-14⅝	13⅞	12¾-12 13/16	13 11/16-13¾	14¼
Three months	13 5/16-13 7/16	13 5/16-13 7/16	13¼-13⅜	13⅝-13¼	14⅛	14⅛	13-13¼	12⅝-12 11/16	13⅛	13⅞
Six months	12 7/16-12⅝	12¾-12⅞	12⅝-12¾	13-12¾	13⅝	13½-13⅝	12½-12⅝	12⅜-12 7/16	12 15/16-12¼	13⅛
Nine months	12 5/16-12 7/16	12⅝-12¾	—	13⅛-12⅞	13	13	—	—	11⅞	12½
One year	12⅝-12½	13⅛-12 15/16	12⅛-12⅝	12⅞-12⅝	12	13	—	—	—	—
Two years	—	—	12⅞-13	—	12	13	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13-13½ per cent; four years 13¼-13½ per cent, five years 13½-13¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12 15/16-12¾ per cent; four-month trade bills 13 per cent.

Approximate selling rate for one-month Treasury bills 12 11/16 per cent two months 12 9/16-12⅝ per cent; three months 12¼-12 5/16 per cent. Approximate selling rate for one-month bank bills 13 11/16-13 7/16 per cent; two months 13 per cent; three months 12⅞-12 13/16 per cent; one-month trade bills 14½ per cent; two months 13¾ per cent and three months 12⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from February 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 12.4163 per cent.

MONEY RATES

NEW YORK	
Prime Rate	19-19½
Fed Fund	16¼-16½
Treasury Bills (13-week)	15.42
Treasury Bills (26-week)	14.56
GERMANY	
Discount Rate	7.5
Overnight Rate	9.275
One month	9.30
Three months	10.025
Six months	10.175
FRANCE	
Discount Rate	9.5
Overnight Rate	10.75
One month	10.9375
Three months	11.5625
Six months	12.1875
JAPAN	
Discount Rate	7.25
Call (Unconditional)	8.9375
Bill Discount (three-month)	8.65625

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FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD The Association of International Bond Dealers

AT JANUARY 31 1981

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month.

There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres.

Membership of the AIBD (which was established in 1969) comprises over 550 institutions from about 30 countries.

Eurobonds in January

BY OUR EUROMARKETS STAFF

A FLOOD of new Euro-dollar bond issues in the first full week of 1981 highlighted an active month in which U.S. interest rates were again extremely volatile. The D-mark sector lost ground on the weakness of the currency while the new issues moratorium continued. Meanwhile, the Swiss franc sector was hit by rising interest rates making an unfavourable climate on the primary market where many new issues were undersubscribed.

A long backlog of borrowers, waiting to come to the dollar bond market, had built up during the last months of 1980 in a climate of prohibitively high interest rates. Borrowers would have had to have paid considerably more than the 13-13½ per cent coupon level at that time.

However, U.S. interest rates fell sharply at the turn of the year and opened the window for new straight issues on the dollar bond market.

In the first full week of January, 11 bonds were launched for a total amount of nearly $1bn. Most of the new issues were "bought deals"—where the lead managers enter into a firm commitment to float the issue on the terms agreed—with fairly tight terms. All of these fell to sharp discounts on the grey market, notably the Republic of Ireland's seven-year 12¾ per cent issue and the Caisse National de l'Energie 10-year 12¾ per cent issue which fell to around less five and less six respectively.

The initial reason why all the issues were poorly received was because there was simply too much new paper for investors to digest.

But in the second week of the month, interest rates began to move back up. Six-month Euro-dollars climbed back to more than 17 per cent. Secondary bond market prices fell sharply and new issue lead managers found it even harder to place the new issues. Market participants estimated that only a quarter of the new paper had actually been sold, the rest remaining on underwriters' books.

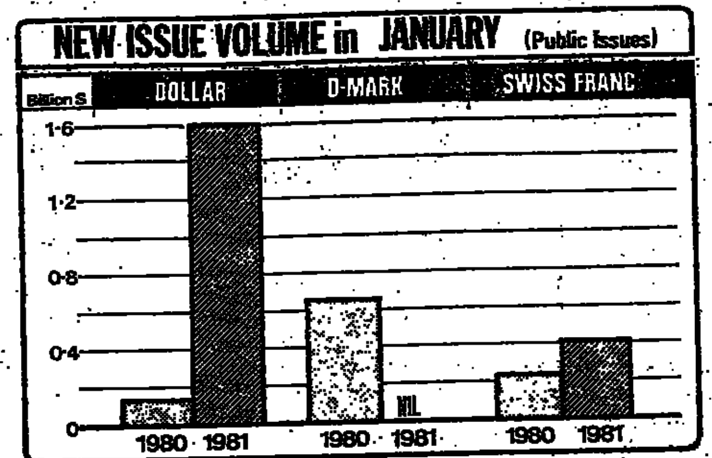
After a further two new issues later in the month, for the EEC and Svenska Handelsbanken, the new issue window was firmly shut, bar a $100m 3½ year issue for Ford Credit Overseas Finance which was willing to pay a 16 per cent coupon, the largest ever.

Four new convertible issues were launched in January, for Marion, Crystaloil, Nippon Yusen and Anacomp. The last was reissued in January after it had been postponed in December, and the first two issues had to be postponed due to unfavourable market conditions.

There were no new issues denominated in Deutschemarks in January. The Capital markets Sub-committee extended the moratorium on new issues in the middle of the month to the beginning of February under pressure from the Bundesbank which wanted to cut back on capital exports. Except for supranational issues there was little hope for an early re-opening of the primary market unless the interest rate spectrum changed dramatically, for at prevailing levels any new paper would be bought principally by domestic investors, exactly what the Bundesbank did not want to see.

The secondary market for D-mark foreign bonds, although buoyed by the new issue moratorium, suffered towards the end of the month because of a weak currency and fears of higher inflation. There was heavy selling pressure from investors, many wanting to clear their portfolios of D-Mark paper altogether.

The troubles of the D-Mark sector began to rub off on the Swiss Franc market where some borrowers, unable to issue D-Mark paper, came to raise funds, just as Swiss interest rates were moving upwards. The result was four mispriced issues, all of which were undersubscribed. The last Monday of the month saw the major banks raise their rates on all medium term notes to 5 per cent, up ½ per cent on three and four-year notes and up ¼ per cent on five- and six-year notes, while six-month Euro-Swiss Francs ended the month at 6½ per cent, up ½ per cent on the month. On the secondary market, prices of seasoned issues fell by 1½ points on the month.



The largest ever French Franc issue was launched in January for Gaz de France. Two-thirds of the FFr 600m five-year issue was pre-placed with domestic and Middle Eastern investors while the generous coupon, nearly two percentage points higher than the six-month Euro-Franc interest rate, ensured the successful placing of the remaining FFr 200m. The strength of the French Franc, which put up a good fight against the soaring U.S. dollar later in the month, together with relatively high interest rates boosted the secondary market in French Franc eurobonds which ended the month slightly better overall.

A stable trend was reported in the Euro-guilder sector by the end of the month due to renewed interest from domestic investors. The market had suffered earlier from high interest rates available in U.S. dollars and, to a lesser extent, in sterling and yen. The majority of activity in this sector took place in the primary market. Three new issues were launched for a total of DFl 210m. The issues for Pierson Heldring and Pierson and Nationale Nederlanden fared less well than the DFl 100m Algemene Bank Nederland issue which was launched in the last week of January in better market conditions.

A new sector was opened when Refinemet, the U.S. recycler of precious metals, launched a gold-linked bond through Drexel Burnham Lambert, raising about $52m. 10,000 15 year bonds of 10 ounces of gold each were issued with interest of 3-4 per cent to be paid in U.S. dollars or gold. Although initial reactions were favourable, there were doubts in the market that gold-linked bonds would develop into a major source of business.

CONTENTS

The table of quotations and yields gives the latest rates available on January 31, 1981. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY INTERBOND SERVICES LTD.

★ A subsidiary of dataSTREAM International

Amount (US$M) / Est. O/S	Year of issue / Issue price	Borrower / Coupon maturity	Price	Yield to maturity / to avg. life	Current yield
		US DOLLARS-ALGERIA			
25	1977 100.00	BQUE EXT D'ALGERIE 9.00 15/ 8/1982	90	16.75	10.00
		US DOLLARS-ARGENTINA			
50	1979 98.50	ARGENTINE REPUBLIC 9.875 1/ 8/1984	88	14.41	11.22
		US DOLLARS-AUSTRALIA			
30 4.2	1969 97.50	AUSTRALIA,COMMONWEALTH 5.00 1/ 4/1983 S	87	12.53 16.53	5.83
30 1.7	1962 96.25	AUSTRALIA,COMMONWEALTH 5.50 15/ 1/1982 S	93	15.43 17.70	6.09
30 3.5	1962 97.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1982 S	91 1/2	12.56 16.40	6.10
25 3.8	1962 99.00	AUSTRALIA,COMMONWEALTH 5.50 1/10/1982 S	92	11.91 17.12	6.14
25 7.0	1965 98.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 5/1985 S	86	9.92 13.24	6.50
25 7.0	1965 99.75	AUSTRALIA,COMMONWEALTH 5.75 1/11/1985 S	85 1/2	9.85 12.46	6.56
25 7.8	1967 97.50	AUSTRALIA,COMMONWEALTH 6.50 15/ 6/1982	93 1/2	14.52 15.95	7.18
100	1977 100.00	AUSTRALIA,COMMONWEALTH 7.50 1/ 9/1984	86 5/8	11.10	8.65
250	1978 100.00	AUSTRALIA,COMMONWEALTH 8.00 1/ 4/1982	93 1/2	14.35	8.56
125	1976 99.88	AUSTRALIA,COMMONWEALTH 8.125 15/11/1983 S	88 1/2	13.60	9.39
75	1976 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/ 6/1981 S	97 3/4	15.85	8.62

[illegible]

AMOUNT EST. O/S (MNS)	YEAR OF ISSUE / ISSUE PRICE	BORROWER/ COUPON/MATURITY	PRICE	YIELD TO MATURITY / TO AVERAGE LIFE	CURRENT YIELD
		US DOLLARS-SWEDEN (CONTINUED)			
50 50.0	1977 100.00	STOCKHOLM,CITY OF 8.875 15/ 2/1982	75 3/4	13.57 15.33	12.06
60 60.0	1979 99.00	STOCKHOLM,CITY OF 9.75 15/ 3/1994	78 3/8	13.60 14.34	12.78
30 25.0	1976 99.00	SVENSKA HANDELSBANKEN 9.25 1/ 3/1986	84 3/8	13.70 15.34	10.96
45	1981* 100.00	SVENSKA HANDELSBANKEN 13.25 15/ 4/1988	97 3/8	14.32	14.12
25 10.6	1976 100.00	SWEDISH EXPORT CREDIT 7.625 15/10/1983	82	11.70 14.73	9.74
25 7.5	1975 98.00	SWEDISH EXPORT CREDIT 9.00 15/ 4/1982	96	12.69 15.16	9.38
20 17.1	1979 100.00	SWEDISH EXPORT CREDIT 9.50 15/ 4/1985	87 1/2	13.27 15.43	10.85
50	1980* 99.75	SWEDISH EXPORT CREDIT 13.00 1/10/1985	85 1/8	14.24	12.82
40	1980* 99.50	SWEDISH EXPORT CREDIT 12.50 1/ 3/1985	94 3/4	14.17	13.19
75	1981* 100.00	SWEDISH EXPORT CREDIT 13.00 15/ 1/1986	95 3/4	14.24	13.58
15 10.5	1973 100.00	SWEDISH INVESTMENT BANK 7.50 15/ 1/1988	77	12.66 15.26	9.74
15 10.5	1972 99.00	SWEDISH INVESTMENT BANK 7.75 1/11/1987	79 3/8	12.42 14.90	9.76
15 13.0	1976 100.00	SYDKRAFT 9.25 15/ 9/1986	78 3/4	15.07 18.05	11.75
30 11.9	1976 100.00	UDDEVALLAVARVET 7.75 1/12/1983	86	13.34 17.31	9.00
23 20.5	1977 100.00	UDDEVALLAVARVET 7.75 15/ 8/1984	85	13.18 14.38	9.12
25 20.2	1972 100.50	VOLVO 8.00 1/ 9/1987	75 7/8	13.77 16.18	10.54

FINANCIAL TIMES
Friday February 13 1981

Zimbabwe faces threat to stability

BY MICHAEL HOLMAN AND CHRIS SHERWELL IN BULAWAYO AND TONY HAWKINS IN SALISBURY

ZIMBABWE YESTERDAY faced the most serious threat to its stability since becoming independent in April, as Mr. Robert Mugabe the prime minister, ordered the country's air force into action against guerrillas loyal to his coalition partner, Mr. Joshua Nkomo.

The move followed five days of clashes around the country between rival factions in the 11,000 strong national army. The emergent army is being drawn equally from Mr. Mugabe's own Zimbabwe African National Liberation army (ZANLA) guerrillas and Mr. Nkomo's Zimbabwe People's Revolutionary Army (ZIPRA) forces who all gathered in special assembly places during the transition to independence last year.

It was unclear last night whether Air Force Hawker Hunter jets had been used to deter armed motorised units of ZIPRA trying to reach Bulawayo from their base almost 100 miles to the north-west.

The units had moved in support of their comrades fighting in the township of Entumbane, where the latest clashes have left scores of people dead and brought Zimbabwe's second largest city to a standstill.

Mr. Mugabe's willingness to use the air force illustrates the gravity of the crisis facing him. The British-trained national army, on which hopes for stability have rested, has now virtually fallen apart, and the viability of the government of national unity—in which Mr. Nkomo and his supporters hold five posts in the 27-man cabinet—is open to doubt.

The government controlled media, and Mr. Mugabe himself, have laid blame for the fighting entirely on the shoulders of Mr. Nkomo's ZIPRA, while officials of Mr. Nkomo's party blame "divisive and provocative action" of senior members of Mr. Mugabe's party.

Mr. Mugabe spoke of "sinister undertones" and a "definite organised pattern among certain elements" in the ZIPRA army theoretically loyal to Mr. Nkomo.

Making his second emergency statement on the security situation in less than 24 hours, the Premier said ZIPRA elements had ignored the orders of their commanders and it had been necessary to call in both the air force and other army elements to crush the dissidents.

Unofficial estimates put the death toll above 100 in Bulawayo and at the Connemara Barracks in the Zimbabwe Midlands where shooting has been going on since Monday.

Bulawayo is Mr. Nkomo's political stronghold. He draws the bulk of his support from the Ndebele tribe, which represents about 18 per cent of the country's 7m people.

Yesterday troops of the Rhodesian African Rifles directed heavy mortar fire on to the camps of the rival faction in Entumbane township. Hunter jets flew morning sorties low over the township area.

The troops were deployed in the township and manned a roadblock on the main highway into the area. Thousands of civilians streamed out of the embattled township yesterday to take refuge in the safety of the town centre and outlying suburbs. Entumbane was the scene last November of violent clashes between the rival army factions which left over 55 people dead.

Euro-loan margins up for Brazil

BY FRANCIS GHILES

BRAZIL, which has the largest foreign currency debt in the world, is having to pay more for the loans it raises in the Euromarkets. Evidence of this emerged with the first mandate awarded this year by a Brazilian state borrower.

The mandate is from Companhia Vale do Rio Doce, the Government mining and steel concern, for Morgan Guaranty Trust Company to raise $300m (£130m).

A choice

Banks have the option of a 2¼ per cent margin over the London interbank rate (Libor) or a 2 per cent margin over the U.S. prime rate for eight years.

Such margins compare with a choice of 2 per cent over the Libor rate or 2 per cent over U.S. prime paid by Itaipu Binacional, the concern involved in Brazil's major dam project, when it raised a $200m Euroloan last autumn.

Commercial

Other banks participating in the new loan alongside the lead manager include Citicorp, Chase Manhattan and Bankers Trust. Brazil needs to borrow between $12bn and $13bn from commercial banks in 1981 to cover its needs for new money and interest payments.

Money markets, Page 26

Talbot UK workers vote to act against closure

BY PHILIP BASSETT, LABOUR STAFF

WORKERS AT Talbot UK's Linwood car plant, which the company announced this week it wished to close with the loss of all 4,800 jobs, yesterday voted to support their shop stewards' campaign to try to save the factory.

Industrial action as a means of preventing the closure will not, however, be taken, until the plant's disputes procedure has been exhausted, shop stewards said, or unless the company took "provocative" steps.

In France, Peugeot SA, Talbot's parent group, which is expected to incur net losses for 1980 in excess of FFr 2.1bn (£181m), said that two of its main subsidiaries were deeply in the red.

At the Scottish plant, a mass meeting gave its support to the stewards' campaign, launched last week. Mr. Jimmy Livingstone, Transport and General Workers' Union convenor, said that while action would not be taken immediately, any attempt by the company to move plant or machinery out of the factory could provoke it.

He warned workers at Talbot's Ryton plant, near Coventry, that he believed it was only a matter of time before they found themselves in the same position as those at Linwood, which is to stop production in June before a final closure by the end of the year.

He said the company's decision to maintain production at Ryton was only a tactic to counter any action by unions to black the imports into Britain of Peugeot or Citroën cars. However, Mr. George Turnbull, Talbot's managing director, said that while he could not guarantee jobs at Ryton he was supporting the plant.

Mr Turnbull warned against disruptive action to prevent Linwood's closure, and said that animosity towards the French parent company was "completely unfounded."

The Prime Minister yesterday dashed the hopes of Scottish MPs that the Japanese Nissan company might be persuaded to build its projected plant at the Linwood site. Mrs. Thatcher told the Commons that Nissan wanted a greenfield site and there was no possibility of dissuading it from that.

Miners Continued from Page 1

wingers, who addressed a rally of 350 miners from all parts of Britain shortly after the executive decision. They said a point of no return had been reached and a confrontation with the Government over jobs was inevitable.

They expect to draw the support of railwaymen, dockers, seamen and others if industrial action begins, and even to turn the campaign into a re-enactment of the 1974 defeat of the last Conservative Government.

A special meeting of the NUM executive—whose unanimity yesterday was almost unprecedented—has been called for next Thursday when the decision will be made whether to hold the strike ballot.

Mr. Joe Gormley, NUM president, said he expected to get an 85 per cent vote in favour of action. "I can only warn the Government: 'Don't make the same mistake as when we had the same fracas with Ted (Heath).' I am not starting off on the basis that we will be forced into a strike, but that the Government will be forced to see the sense of our arguments."

Interest Continued from Page 1

many's own economic difficulties and problems in financing its current account deficit. While West German interest rates are low by international standards—a discount rate of 7.5 per cent and a Lombard rate of 9.0 per cent—they are historically high.

The nominal rates have, however, proved insufficient to attract private capital imports to finance the current account deficit, which totalled DM 28bn (£5.6bn) last year. But the rates are also widely seen as so high as to act as a brake on the domestic economy, bringing social and political tensions particularly in the last few months.

The Bundesbank has recently tried to avoid raising the politically sensitive discount and Lombard rates further. Lombard is the rate at which the Bundesbank lends to the banks against securities. But it could be forced to do so if high nominal rates in the U.S. attract more capital from West Germany and further weaken the D-Mark.

Bonn hoped the French might feel able to drop their interest rates and thus lessen tension in the European monetary system where the French franc has been strong and the Deutsche Mark weak.

Polish Premier seeks 90 days' calm

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S new Prime Minister, General Wojciech Jaruzelski, opened his term with a warning that the country faces "chaos and fraternal strife" and an appeal to members of Solidarity, the independent union, to stop all strikes.

In his first speech to Parliament in his new role, he appealed for "90 days of calm for three hard-working months," because the Government could not carry out its responsibilities with "the strike-pistol at its head."

Gen. Jaruzelski said that in this period the Government would be able to work out a programme of reforms and economic stabilisation. The period would be one of "wide-ranging social dialogue in a relaxed atmosphere."

He did, however, stress that the Government would act against "unacceptable pressure" and combat anti-Socialist behaviour. "The law must be respected and order maintained in factories and streets," he said.

He said he would set up a committee for relations with the trades unions, headed by a Deputy Prime Minister.

A meeting of the Solidarity national committee in Gdansk yesterday did not comment on Gen. Jaruzelski's appeal. But it was clear the union leadership is intent on working for a period of calm on the industrial front.

Mr. Lech Walesa, the union leader, did not rule out strikes, however, if the union was attacked.

The national committee yesterday elected a 10-man steering group which will stay in Gdansk until the next full meeting next Wednesday. The group is empowered to take a decision on union policy and to talk to the Government if the need should arise.

The union leadership evidently expects more grass-roots industrial action in the near future and it wants to be in a position to defuse any crisis quickly.

In a conciliatory gesture from Solidarity, printers decided not to proceed with their one-day protest strike planned for today. The strike would have been against the Government's delay in putting forward a new draft law limiting censorship and rectifying insufficient access to the media for union members.

In his speech Gen. Jaruzelski reaffirmed authority's commitment to economic reform and said that the necessary laws would be presented to Parliament in the next four months.

He was, however, less precise in the censorship law. This, he said, required "great precision in drafting." He did not specify when it would be introduced.

Gen. Jaruzelski said Mr. Mieczyslaw Jagielski his deputy, would be chairman of a newly-formed economics committee in the Government. It can be assumed that day-to-day economic decision-making in the Government will shift to this body.

Soviet manoeuvres, Page 2

Fishermen end protest over cheap imports

BY MARGARET VAN HATTEM

BRITISH FISHEMEN abandoned their protest against cheap fish imports and went back to sea yesterday after an assurance by the Government that the problem was receiving top-level attention in Brussels. However, the statement by Mr. Peter Walker, the Agriculture Minister, was greeted with scepticism and derision in the House of Commons.

Mr. Walker said the new Fisheries Commission in Brussels had promised to deal with the question of cheap imports urgently. He said the EEC system of reference prices, designed to keep out cheap imports from non-EEC countries, was not working effectively.

"We have obtained a firm undertaking from the Commissioner that he will urgently examine the problem in order to make the system more effective," Mr. Walker said. He hoped the proposals to reform the system would be produced quickly.

But there were murmurs of agreement as Mr. Alan Beith (Lib. Berwick-upon-Tweed) said promises of urgent consideration have been given all too often. He asked what action the Government would take immediately.

Mr. Walker said a new committee of fishing industry representatives and Government officials would examine allegations of illegal and unfair imports.

No suggestion was made that any action would result directly from the committee's deliberations, and the move is seen as something of a face-saver for the fishermen, whose were believed ready to abandon their expensive protest.

Several Tory back-benchers pressed the Minister to ensure that inshore fishermen would be adequately represented on the committee, while members on both sides of the House wanted a promise that no deals would be made with the French or Germans to link fishing with farm prices or Britain's budget rebate.

However, Mr. Walker was warmly congratulated all round on having made no concession at the EEC fisheries council meeting this week.

Richard Mooney writes: Mr. David Aitchison, director general of the Scottish Fishermen's Federation, welcomed the proposal to investigate cut-price fish imports. "This is just what the industry has been seeking all along," he said.

Along with the return to work at Aberdeen and Edinburgh, most fishermen at the east coast ports of Scarborough, Bridlington, North Shields and Whitby returned to sea yesterday. Cornish inshore men would have sailed too but for gale force winds. Some skippers, however, were waiting for full details from Brussels of Mr. Walker's plans. Fishermen at Fleetwood said they were returning to sea.

The strike was the culmination of growing anger at cheap imports from the Continent which forced down quayside prices. Fishermen blame illegal subsidies by other EEC Governments.

Heads of state invited, Page 29

France and Egypt sign nuclear aid protocol

BY ROBERT MAUTHNER IN PARIS

FRANCE IS expected to supply Egypt with two nuclear power-stations worth about £870m, under a nuclear co-operation protocol signed by the two countries in Paris last night.

The protocol also provides for France to supply the nuclear fuel to the power-stations and for French technical assistance.

It was signed by M. Jean François-Poncet, the French Foreign Minister, and Mr Kamal Hassan Ali, his Egyptian counterpart.

M. François-Poncet said after the ceremony that the protocol expressed Egypt's intention to buy nuclear power-stations from France but that details had to be worked out.

Negotiations on the detailed contract are due to open immediately and, according to Egyptian officials, will probably be concluded by the end of March.

Mr. Ali told his French counterpart that Egypt intended to sign the nuclear non-proliferation treaty in the next week, clearing the way for detailed negotiations on the contract.

France has not signed the treaty itself, but it requires other countries purchasing French nuclear reactors and technology to adhere to the pact.

The Egyptian Foreign Minister said the agreement with France was part of Egypt's long-term programme for the use of nuclear energy for peaceful purposes. The Egyptian Government intended to build eight nuclear power-stations of 1,000 megawatts each by the end of the century.

The two power-stations to be supplied by France will be of the Pressurised Water Reactor (PWR) type. This has so far been built in France by Framatome, under licence from Westinghouse of the U.S.

The licensing arrangements were terminated under an agreement signed by the French and U.S. Governments last month, giving the French company freedom to export its reactors without prior U.S. authorisation.

Weather

UK TODAY

Cold, cloudy. Dry with sunny periods. Max. temp. 8C (46F).

N. Wales, N.W. England, I.o.M., S.W. Scotland
Bright intervals. Drizzle on coasts.

Argyll, N.E., and N.W. Scotland, Orkney, Shetland, N. Ireland
Rain. Sunny periods later

Outlook: Dry and cold. Sunny intervals. Overnight frost, freezing fog patches.

WORLDWIDE

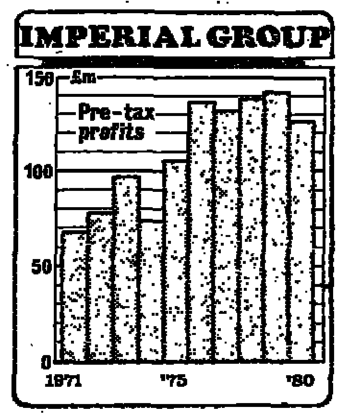
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	12	54	London	C	6	43
Algiers	F	13	55	L. Ang.†	F	17	63
Amsdm.	F	3	37	Luxmbg.	F	−1	30
Athens	S	16	61	Luxor	S	23	73
Bahrain	S	18	64	Madrid	C	2	36
Barclna.	C	7	45	Majorca	F	10	50
Beirut	C	16	61	Malaga	C	11	52
Belfast	C	9	48	Malta	F	15	59
Belgrd.	C	1	34	M'chstr	C	5	41
Berlin	C	0	32	Melbne.	S	27	81
Biarritz	S	7	45	Mx. C.†	—	—	—
Bmghm.	C	5	41	Miami†	C	18	64
Blackpl	R	5	41	Milan	S	6	43
Bordx.	S	5	41	Montl.†	F	−15	5
Boulgn.	F	5	41	Moscow	Sn	−5	23
Bristol	C	6	43	Naples	F	11	52
Brussels	S	5	41	Nwcstl.	C	3	37
Budpst.	S	3	37	N. York†	—	—	—
Cairo	S	18	64	Nice	C	10	50
Cardiff	C	6	43	Nicosia	C	6	43
Cas'b'ca	C	14	57	Oporto	S	9	48
Chicg.†	C	−22	−8	Oslo	S	−3	27
Cologne	S	1	34	Paris	S	5	41
Cphgn.	F	−1	30	Perth	C	19	66
Corfu	C	14	57	Prague	F	0	32
Denvr.†	F	2	36	Reykjvk.	Sn	0	32
Dublin	C	9	48	Rhodes	F	17	63
Dbrvnk	C	10	50	Rio J'o	—	—	—
Ednbgh.	C	8	46	Rome	R	12	54
Faro	S	13	55	Salzbrg	Sn	−1	30
Frankft	Sn	2	36	S F cisc.†	C	10	50
Funchal	S	15	59	S'tiago†	—	—	—
Geneva	S	1	34	Stckhm	C	−2	28
Gibraltar	C	15	59	Strasbg.	C	1	34
Glasgow	R	7	45	Sydney	R	22	72
G'rnsey	F	5	41	Tangier	F	13	55
Helsinki	F	−6	21	Tel Aviv	C	16	61
H. Kong	C	20	68	Tenerife	F	11	52
Innsbrk	Sn	0	32	Tokyo	F	11	51
Invrnss.	F	8	46	Toronto†	S	−17	1
I.o.Man	R	8	46	Tunis	F	15	59
Istanbul	F	13	55	Valencia	C	8	46
Jersey	F	4	39	Venice	C	6	43
Jo'burg	F	24	75	Vienna	S	2	36
L. Plms.	R	16	61	Warsaw	C	−1	30
Lisbon	S	8	46	Zurich	F	−1	30
Locarno	S	5	41				

C—Cloudy F—Fair. R—Rain S—Sunny. Sn—Snow
† Noon GMT temperatures

THE LEX COLUMN

Tough time for Imps in food

Index rose 3.7 to 490.0



Imperial Group has confounded the sceptics not only by maintaining its dividend — which was never in serious doubt—but by proclaiming that it is covered on a current cost basis. On the way to this conclusion it has adopted a few accounting changes — Molins is now an associate, and sales of pub properties have become a trading item — while part of the lumpy increase in the 1980 tax charge, which relates to unrecoverable ACT, has been pushed back to 1979 for current cost purposes. Still, this is all fighting stuff, and the shares, as low as 71p recently, closed up a penny at 80p where the yield is 13.7 per cent.

Historical cost profits emerge at £126.9m, against a re-stated £142.3m, for the year to October: on the old accounting basis they would have been some £4½m lower, while Howard Johnson has contributed around £2m after skilfully restricted financing costs. Below the line, £36m of closure costs are more than offset by the profit on the sale of Imperial's Mardon stake to BAT.

Trading profits of the tobacco division fell from £49.6m in the first half to £30.8m in the second as a result of a fierce price war, from which Imps has emerged with a higher share of the UK market — it now claims 54½ per cent, against 48 per cent at one stage last year. It has just followed Rothmans in raising cigarette prices but there is an obvious danger that hostilities will erupt again if consumption falls steeply as the result of a heavy duty increase in the Budget. Imps may also be running out of dead cigarette coupons to write back into profits.

The group is still having a diabolical time in the food business where it made only £10m pre-tax on sales of £1.17bn, largely because of the problems of the "world's largest integrated poultry operation." Courage profits are slightly up in underlying terms, and although its margins are still poor compared with those of the other leading brewers, this is a fair performance in what has been a year of falling volume.

It is hard to imagine Imps' profits moving off their downward-tilting plateau this year, although in the medium term there is, as for so long, tremendous scope for improvement. The balance sheet is stronger than the quoted ratio of 78 per cent for debt: tangible net worth (after a $206m revaluation of Hojo) might suggest, since Imps' £265m portfolio investments are to a large extent an offset for its borrowings.

In the past few years, as Imps has swapped its gilt-edged stocks for physical assets, the yield on its shares has risen more and more to that of a long-dated gilt. There is still awfully little to dispel the accumulated disappointment that this rating represents.

Dowty

Dowty has managed to contain the inevitable decline in its mining equipment business, while moving ahead rapidly on the aerospace front (even adjusting for the strike-hit results of a year ago). Interim pre-tax profits have risen by a tenth to £19.1m and the share price, which has languished recently, rebounded 21p yesterday to 214p, partly no doubt because of the boost to the dividend. The prospective yield, however, is still only a bare 3.3 per cent, underlining the high growth expectations for the company, though current cost cover is as good as 2½ times.

The key to the future is aerospace, where underlying volume has risen by about a tenth in the half year and trading margins have improved, partly due to the Tornado programme moving up to peak production over the period. Meanwhile the high order book at the year end has been maintained, and it seems that the scaling down of projected civil programmes will leave Dowty unscathed, since its main problem is shortage of capacity. Export demand for the Tornado may well emerge soon, while India has increased its order for Jaguar jets to 106. Furthermore, with President Reagan in the White House, there is a strong chance that the U.S. AV-8B Harrier programme will go ahead, with the commencement of deliveries in

Now that the Chinese mining order is out of the way, Dowty's mining division is perhaps 75 per cent dependent on the NCB. Volume here is down a fifth, but profits are only a third lower, establishing that Dowty's policy of contracting out should protect margins to some extent, even though the NCB cutback may be as high as 40 per cent next year. Elsewhere, the industrial division is having a difficult time, although the railway marshalling business should begin to produce worthwhile profits next year. The pre-tax outturn in the current year may be in the region of £39m, against £37.9m, although the proposed change in the stock relief rules may push up the tax charge to £10m, against £3.2m last year.

Rank Organisation

Yesterday the Rank Organisation advertised for a corporate planning manager, and all applicants will clearly need to get hold of a copy of the group's annual report which conveniently is published this morning. No doubt they will be required to impress ideas at interview if they are to stand a chance of heading up Rank's corporate business planning function. What will they make of Rank as it stands now?

The annual report reveals a group worth (with the shares at 164p) some £330m in the stock market. It is dominated by a minority trade investment in Rank Xerox valued in the books at £216m and probably worth more (for at this price the dividend yield is close to 15 per cent gross). There is also investment property valued at £156m.

For the rest, there is a variety of mostly leisure and industrial interests with gross assets of something like £350m, against which there is a substantial total of debt which rose from a net £177m to £188m last year if all the working capital items (including acceptance credits) are totted up. The gearing is by no means high, but the returns on these trading assets are so low (about 8 per cent last year) that interest payments are a heavy burden. The long term record of management is far from impressive, though loss elimination is forecast to generate some improvement in the current year.

In the circumstances, the bright would-be planner might well conclude that Rank needs to turn its substantial assets more directly to the benefit of shareholders—perhaps through a major restructing. Whether such views would be likely to get him the job could, however, be another matter.

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31st JANUARY 1981 WestLB Euro-Deutschmarkbond Quotations and Yields

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
9% ADELA 76/83	80.10	8.88	13.53	2.17	1. 4.83
7¼% ADELA 77/82 PP	88.00	8.43	19.70	1.37	16. 8.82
7% ADELA 77/82 PP	85.00	8.24	19.32	1.60	1. 8.82
7¾% African Dev. Bank 79/86	86.00	9.01	11.37	5.33	1. 6.88
8% African Dev. Bank 79/87	88.00	9.09	10.56	6.75	1.11.87
6½% Airport Paris 69/84 PP (G)	94.00	6.91	9.86	2.05	1. 3.75—84D
9% AKZO 75/82 PP	98.75	9.11	10.38	1.00	1. 2.82
7¾% AKZO 76/83 PP	93.25	8.31	11.15	2.33	1. 6.83
6% AKZO 79/84 PP	86.50	6.94	11.29	3.17	1. 4.84
6½% AKZO 79/86 PP	84.00	7.74	10.74	5.08	1. 3.86
9% AKZO 80/90	98.50	9.14	9.23	9.29	15. 5.88—90S
8¼% Alusuisse Int'l. 75/83	96.50	8.38	9.32	1.47	1. 8.81—83D
5½% American Expr. Int'l. 79/87	83.25	6.61	9.28	5.86	15. 1.87
6¾% AMEX Int'l. 77/84 PP	92.00	7.34	9.79	3.17	1. 4.84
10% A.P.E.L. 74/81 (G)	100.20	9.98	9.66	0.83	1.12.77—81D
7¾% ARBED Finance 76/83 PP	93.50	8.29	10.56	2.75	1.11.83
6¾% ARBED Finance 77/87	82.50	8.18	10.67	6.33	1. 5.83—87S
7½% ARBED Finance 79/86 PP	85.00	8.82	11.19	5.67	1.10.86
9% ARBED Finance 80/87 PP	96.75	9.30	9.89	6.33	1. 6.87
8¾% Ardal-Sunndal 75/81 PP	99.25	8.82	10.41	0.42	1. 7.81
6¾% Ardal-Sunndal 77/89 PP	86.00	7.85	10.70	4.65	1. 7.82—89D
7½% Argentina 77/84	90.50	8.29	10.74	3.67	1.10.84
6½% Argentina 78/86	84.00	7.74	11.63	4.08	1. 3.85
6½% Argentina 78/88	79.00	8.23	11.79	5.64	1.11.84—88D
7½% Argentina 79/89	82.25	9.12	10.85	8.25	1. 5.85—89S
7% Asian Dev. Bk. 69/84	98.75	7.09	7.54	3.58	1. 9.75—84S
8% Asian Dev. Bk. 76/82	98.20	8.15	9.80	1.08	1. 3.82
7¾% Asian Dev. Bk. 76/83 PP	95.50	8.12	10.14	2.17	1. 4.83
7% Asian Dev. Bk. 77/86	90.75	7.71	9.80	4.17	1. 4.85
5½% Asian Dev. Bk. 78/88	79.00	6.96	9.65	7.25	1. 5.88
7¼% Asian Dev. Bk. 79/89	86.50	8.38	9.63	8.50	1. 8.89
8¼% Asian Dev. Bk. 80/90	92.40	9.08	9.60	9.75	1.11.90
10% Asian Dev. Bk. 80/90	103.00	9.71	9.48	9.25	1. 5.90
7½% Aumar 73/88 (G)	90.75	8.26	10.79	3.80	1. 2.79—88D
9% Aumar 76/84 (G)	98.55	9.13	9.47	3.54	15. 8.77—84S
7¾% Aumar 77/84 (G)	92.75	8.36	10.34	3.42	1. 7.84
6½% Australia 67/82	99.90	6.51	6.54	1.75	1.11.73—82S
6¾% Australia 68/83	99.95	6.76	6.89	2.50	1. 8.74—83S
6½% Australia 69/84	99.50	6.53	6.80	3.00	1. 2.75—84S
7¼% Australia 69/84	99.50	7.29	7.54	3.75	1.11.75—84S
7% Australia 72/87	96.90	7.22	7.66	6.00	1. 2.78—87S
9% Australia 75/82	100.50	8.96	8.48	1.00	1. 2.82
8¼% Australia 75/82 I PP	98.50	8.38	9.62	1.17	1. 4.82
8¼% Australia 75/82 II PP	98.50	8.38	9.52	1.25	1. 5.82
7¼% Australia 76/83	96.75	7.49	9.02	2.08	1. 3.83
5¾% Australia 77/82 PP	93.50	5.81	9.63	1.68	1.10.82
5¾% Australia 77/89	80.65	7.13	9.04	8.75	1.11.85—89S
6% Australia 78/88	82.50	7.27	9.31	7.58	1. 9.88
8% Australia 80/87 PP	95.50	8.38	8.90	6.83	1.12.87
8¼% Australia 80/90	96.90	8.38	8.63	9.08	1. 3.90
6¾% Austr. Ind. Dev. Corp. 72/87	92.00	7.34	8.48	3.57	1.11.78—87D
7% Rep. of Austria 68/82	98.50	7.11	8.54	1.17	1. 4.78—82S
6½% Rep. of Austria 69/83	95.50	6.81	9.01	2.17	1. 4.75—83S
9¾% Rep. of Austria 74/81 PP	99.75	9.77	9.99	0.83	1.12.81
8¼% Rep. of Austria 75/81 PP	99.25	8.31	10.42	0.33	1. 6.81
8¾% Rep. of Austria 75/82 PP	97.90	8.94	10.70	1.17	1. 4.79—82D
9% Rep. of Austria 75/83	100.50	8.96	8.72	2.00	1. 2.83
8¾% Rep. of Austria 75/83 PP	97.50	8.97	10.43	1.65	1. 4.79—83D
8½% Rep. of Austria 75/87	100.00	8.50	8.49	6.25	1. 5.78—87S
7¾% Rep. of Austria 76/86	94.25	8.22	8.16	5.25	2. 5.83—86S
6¾% Rep. of Austria 77/85	93.25	7.24	8.74	4.17	1. 4.83—85S
7% Rep. of Austria 77/87 PP	91.25	7.67	9.85	3.82	1. 1.83—87D
6¾% Rep. of Austria 77/87 PP	89.00	7.58	9.22	6.00	1. 2.83—87D
6% Rep. of Austria 77/87 PP	85.50	7.02	9.00	6.58	1. 9.84—87D
5¾% Rep. of Austria 78/88 PP	82.50	6.97	10.12	5.38	15. 7.84—88D
5¾% Rep. of Austria 78/90	81.25	7.08	8.67	9.75	1.11.85—90D
6¾% Rep. of Austria 79/84 PP	88.50	7.63	10.76	3.58	1. 9.84
7% Rep. of Austria 79/87 PP	95.25	7.35	7.94	6.58	1. 9.87
6¾% Rep. of Austria 79/89 PP	85.00	7.35	10.00	5.38	1. 2.84—89D
7¼% Rep. of Austria 79/89 PP	92.75	7.82	8.46	8.58	1. 9.89
8½% Rep. of Austria 80/86 PP	89.50	9.22	10.90	5.39	20. 6.86
8¼% Rep. of Austria 80/88 PP	94.25	8.75	9.35	7.39	20. 6.88
8¼% Rep. of Austria 80/90 PP	88.50	9.32	10.19	9.39	20. 6.90
7¾% Rep. of Austria 80/90 PP	91.50	8.47	9.11	9.54	1. 8.90
8¼% Rep. of Austria 80/92	91.85	8.98	9.63	9.03	1.10.87—92D
7% Autopistas Catalune 78/86 PP	89.00	7.87	10.54	3.96	16. 1.85
7¼% Autopistas Espanola 69/84 (G)	96.50	7.51	8.63	3.42	1. 7.73—84S
8% Autopistas Espanola 71/86 (G)	95.50	8.38	9.98	3.03	1.10.77—86D
7½% Autopistas Espanola 72/87 (G)	98.00	7.50	10.29	3.47	1.10.78—87D
7¼% Autopistas Espanola 78/85 PP (G)	90.25	8.03	10.28	4.08	1. 3.85
7½% Banco N. Desarrollo 79/86 (G)	85.00	8.53	11.29	5.08	1. 3.86

WestLB SD Certificates (Schuldschein-Index)

5 years maturity: 9.35%

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
8% Banco N. Obras 71/86 (G)	98.50	8.12	8.50	5.75	1.11.77—86S
9% Banco N. Obras 76/81 (G)	99.50	9.05	9.74	0.58	1. 9.81
7¼% Banco N. Obras 77/82 PP (G)	95.25	7.61	10.69	1.54	16. 8.82
7% Banco N. Obras 77/82 PP (G)	95.00	7.37	10.29	1.71	16.10.82
7% Banco N. Obras 77/84 (G)	90.25	7.76	10.30	3.67	1.10.84
5¾% Bk. America Overs. Fin. 78/90	78.50	7.32	9.17	9.75	1.11.90
6% Bank of Tokyo 79/86 PP	85.75	7.00	9.73	5.00	1. 2.86
7¾% Banque Ext. Algerie 77/83	92.75	8.09	10.69	2.71	15.10.81—83D
7¼% Banque Ext. Algerie 78/85	88.00	8.24	11.36	3.71	1.11.83—85D
7¼% Banque Nat. Algerie 78/83	93.90	7.72	10.65	2.08	1. 3.83
6¾% Barclays Overs. Inv. 79/88	85.25	7.92	9.39	8.25	1. 5.89
8% Barlow Rand Inv. 78/82 I PP	95.00	8.42	11.65	1.54	15. 8.82
8% Barlow Rand Inv. 78/82 II PP	95.00	8.42	11.48	1.62	15. 9.82
7½% BEC Finance 76/83 PP	93.75	8.00	10.19	2.75	1.11.83
8% Beecham Fin. 76/83	96.35	8.30	9.54	2.75	1.11.83
8¾% Bergen 75/85	98.50	8.88	9.51	2.16	1. 5.81—85D
7¼% Bergen 77/89	92.00	7.88	9.63	4.26	1. 2.81—89D
8¼% BFCE 76/83 (G)	97.50	8.46	9.41	2.42	1. 7.81—83S
6¾% BFCE 76/84 (G)	87.50	8.46	9.10	3.42	1. 7.82—84S
7% BFCE 77/87 (G)	91.35	7.66	8.92	6.00	1. 2.83—87S
5¾% BFCE 78/88 (G)	81.75	7.08	9.45	6.56	15. 1.86—88S
7¼% BFCE 80/87 (G)	82.25	8.40	9.51	5.96	15. 1.87
8¼% BFCE 80/85 (G)	92.00	8.88	8.16	13.86	15. 1.86—85S
8½% BNDE 77/87	94.00	8.04	10.61	3.52	1. 4.83(82-87)
6¾% BNDE 78/86	77.50	8.71	13.07	5.08	1. 3.86
9¼% BNDE 80/88	87.90	10.52	13.76	7.42	1. 7.88S
9% Borregaard 75/81 PP	99.50	9.05	10.76	0.25	1. 5.81
6¾% Borregaard 77/84 PP	89.25	7.28	10.13	3.67	1.10.84
8¾% Brascan Int'l. 73/88	88.20	8.88	8.82	7.67	1.10.79—88S
6¾% Brazil 72/87	93.85	7.19	7.95	6.67	1.10.78—87S
8¾% Brazil 76/86	98.95	8.84	8.98	5.67	1.10.82(80-86)
7¼% Brazil 77/84					1. 5.84
6¾% Brazil 78/85	91.25	8.49	11.07	3.25	1. 2.85
7¼% Brazil 79/87	82.25	8.21	12.68	4.00	1. 1.87
8% Brazil 79/87	81.75	8.87	11.69	5.92	1. 8.87
9¼% Brazil 80/88	84.80	9.43	11.41	6.50	1. 6.88
6¼% Bremer 69/83 (G)	93.25	9.92	10.80	7.33	1. 8.74—83S
5¾% Bruxelles-Lambert 77/84 PP	97.50	8.92	8.03	2.50	15.12.84
8¼% Burmah Oil 70/85	88.50	6.65	10.13	3.87	1.11.76—85D
4½% Canada 78/83	98.35	8.64	8.41	2.68	20. 5.83
5% Canada 78/84	90.75	5.23	8.38	2.30	10. 5.84
5% Carlsberg-Tuborg 77/87 PP	90.50	5.52	8.42	3.27	1.12.85—87D
8¼% C.C.C.E. 75/85 (G)	82.50	7.27	9.60	6.83	1. 4.81—85D
8¼% C.C.C.E. 76/86 (G)	98.75	8.61	9.04	2.61	1. 7.83—86D
7½% C.C.C.E. 77/89 (G)	97.75	8.70	9.19	3.88	1. 4.81—89D
5¾% C E C A 65/83	91.50	7.65	8.48	8.17	1. 4.71—83D
7¼% C E C A 71/86	94.50	5.82	9.21	1.69	1. 5.72—86D
6¾% C E C A 72/87	94.00	7.98	8.77	3.16	1. 7.78—87D
7% C E C A 72/88	94.00	7.14	8.86	3.29	2. 3.79—88D
6¾% C E C A 73/88	91.75	7.63	8.73	3.73	1. 4.79—88D
7¼% C E C A 73/88	90.50	7.18	9.46	3.99	1.11.79—88D
10% C E C A 74/81 PP	102.25	7.58	7.08	4.07	1. 9.81
9¾% C E C A 74/81	100.00	10.00	9.79	0.58	1.12.81
8¾% C E C A 75/82 PP	100.00	9.75	9.67	0.83	1. 3.82
8% C E C A 79/82	98.00	8.67	10.51	1.08	15.12.82
8¼% C E C A 75/85	97.10	8.24	9.74	1.87	1. 4.78—85D
8% C E C A 76/81 PP	98.80	8.80	9.01	2.61	15.12.81
7¾% C E C A 76/83	98.00	8.16	10.48	0.87	1.10.83
7¾% C E C A 76/86	96.00	8.07	9.48	2.67	1.10.82—86D
6% C E C A 78/88	94.50	8.20	9.61	3.58	1.11.88
5¾% C E C A 78/90	82.00	7.32	9.36	7.75	1. 4.85—90D
6% C E C A 78/90 PP	78.50	6.89	9.63	6.95	1. 8.83—90D
7% C E C A 79/91	84.00	7.14	8.74	5.76	15. 4.84—91D
9¼% C E C A 80/88	85.75	8.16	9.73	7.52	1.12.85—88
7¾% C E C A 80/90	101.75	8.34	9.11	6.27	2. 1.90
7¾% C E C A 80/92	91.00	8.55	9.41	8.92	2. 8.85—92D
7¾% C.E.D. South Africa 78/82 PP (G)	91.00	8.65	9.54	7.84	20. 7.82
6¾% CERGA 73/81 PP	86.50	8.20	11.97	1.47	1. 4.81
7% CESP 77/87 (G)	98.50	6.53	9.40	0.17	1.11.83(82-87)
6% Chase Manhattan Ov. 78/93	88.00	7.95	9.47	6.75	1. 9.84—93S
7% Chrysler 69/84	78.25	7.67	8.94	12.58	1. 7.75—84S
6¾% CIBA-GEIGY ex. W. 75/86 PP	76.00	9.21	17.13	3.42	1.10.86
6¾% C.N. Autoroutes 69/84 (G)	80.00	8.44	12.68	4.67	1. 3.75—84D
6¾% C.N. Energie 69/84 PP (G)	94.00	8.91	9.86	2.05	1. 2.75—84D
6¼% C.N. Telecom. 68/83 (G)	94.25	6.90	9.85	1.97	1.11.74—83S
8¼% C.N. Telecom. 70/85 (G)	93.75	8.93	9.15	2.75	1.10.76—85S
7¼% C.N. Telecom. 76/83 (G)	98.70	8.61	9.04	4.67	16. 4.83
6¾% C.N. Telecom. 79/87 (G)	98.85	7.56	9.39	2.21	1. 3.87
7¾% C.N. Telecom. 79/87 PP (G)	95.75	7.29	9.43	6.08	16.12.87
7¾% Comalco 71/86	92.50	8.61	9.40	6.87	1. 8.77—86S
7% Com. Fed. Electr. 77/82 PP	88.50	7.87	8.26	6.23	1. 9.82
8% Com. Fed. Electr. 77/84	94.50	7.41	10.90	1.58	1. 6.84
7¾% Com. Fed. Electr. 77/85	93.50	8.56	10.37	3.38	1.11.82—85D
6¾% Com. Fed. Electr. 78/88	91.75	7.30	10.40	3.19	1. 4.84—88D
5% Commerzbank Int'l. 79/84 PP	85.50	7.89	10.58	5.08	1. 1.84
4¾% Comp. F. Deutsche Bk. 78/83 PP	88.50	5.65	9.71	2.32	1. 5.83
5% Comp. F. Deutsche Bk. 78/84 PP	89.50	4.89	9.78	2.28	1. 1.84
8¼% Comp. Franc. Petr. 75/85	89.00	5.62	9.49	2.92	1. 5.80—85S
6¾% Comp. Franc. Petr. 77/84	98.30	8.85	8.98	4.25	1. 7.84
8¼% Consorzio 79/91 (G)	95.75	7.08	9.41	3.42	1. 7.77—91D
5¾% Copenhagen 64/84	96.90	8.86	9.77	5.06	15.12.70—84D
7% Copenhagen 68/83	92.75	6.20	7.98	3.87	2. 5.72—83S
6¾% Copenhagen 69/84	99.50	7.04	7.37	2.25	1. 6.75—84S
7¾% Copenhagen 71/86	99.50	6.78	7.04	2.38	1. 4.77—86S
7¼% Copenhagen 76/86	99.25	7.81	8.08	5.17	1.12.81—86S
6% Copenhagen 78/90	96.00	7.81	8.39	6.83	1.11.81—90S
6¼% Council of Europe 73/81 PP	86.00	7.85	8.30	9.75	1. 5.81
7% Council of Europe 73/88	98.28	6.55	9.44	0.25	1. 7.79—88D
9½% Council of Europe 75/82 PP	90.00	7.78	10.40	3.88	1. 2.82
8½% Council of Europe 76/83	99.50	9.55	10.05	1.00	1. 2.79—83D
7¼% Council of Europe 76/83	98.00	8.53	9.25	1.48	1. 5.80—83D
7% Council of Europe 76/83	96.50	8.03	10.91	1.32	1.12.83
6¾% Council of Europe 77/87	94.25	7.43	9.39	2.83	1.11.83—87D
6¼% Council of Europe 78/86 PP	86.25	7.25	10.08	4.65	1. 7.86
6¼% Council of Europe 78/88 I	86.00	7.27	9.87	5.42	16. 5.84—88D
6¼% Council of Europe 78/88 II	85.00	7.21	9.94	5.20	1.11.84—88D
6¼% Council of Europe 78/88 III	85.00	7.35	9.82	6.66	1.11.84—88D
7¼% Council of Europe 79/89	84.75	7.32	9.88	5.56	1. 5.83—89D
7½% Council of Europe 79/89	89.25	8.12	10.05	5.06	1.10.85—89D
7¾% Council of Europe 79/94	89.00	8.43	9.83	6.57	1.11.85—94D
9¾% Council of Europe 80/90	90.50	8.70	9.49	8.88	1.12.88—90
6¾% Courtaulds Int'l. 72/87	101.50	9.61	9.46	7.74	1. 7.80—87S
6% Credit National 77/87 (G)	88.25	7.37	9.97	6.42	1.14.83—87S
5¾% Credit National 78/83 PP (G)	83.15	7.22	9.52	8.67	1. 9.83
6½% Credit National 78/89 (G)	91.00	8.32	9.83	2.58	16. 4.85—89D
9% CVRD 76/84	86.00	7.58	9.82	6.12	1. 2.81(82-84)
9½% CVRD 76/86	98.75	9.17	9.50	3.00	1.12.81(82-86)
8% Daimler-Benz 70/85	96.75	8.89	9.87	5.83	1.11.76—85D
5¾% Daishowa Paper 78/83 PP	97.50	8.21	9.27	2.65	1. 8.83
6% Danish Export 77/82 PP	90.00	6.11	10.20	2.50	1.11.78—82D
5¾% Danish Export 78/83 PP	94.75	6.33	10.70	1.24	1. 6.79—83D
8¼% Den Danske Bk. 76/86	94.25	8.10	10.68	1.20	1.11.82—86S
7% Denmark 69/84	95.75	8.62	9.22	3.75	1. 8.75—84S
6¾% Denmark 72/87	98.00	7.14	7.81	3.50	1.12.78—87S
9¼% Denmark 74/89	95.00	7.11	7.71	6.83	1. 3.80—89S
8¼% Denmark 76/82	99.40	9.31	9.35	8.08	1. 2.82
8% Denmark 76/82	98.50	8.38	9.99	1.00	1. 9.82
6¾% Denmark 77/83	98.00	8.16	9.36	1.58	16. 6.83
7¼% Denmark 77/87	94.50	7.14	9.50	2.29	16. 5.87
5¾% Denmark 78/84	89.00	8.15	9.66	6.29	1. 2.84
6% Denmark 78/88	88.90	6.91	9.59	3.00	1. 2.88
5¾% Denmark 79/85	80.75	7.43	9.95	7.00	1. 2.85
6½% Denmark 79/89	86.75	6.63	9.92	4.00	1. 2.89
7¾% Denmark 80/86	82.00	7.93	9.85	8.00	1. 2.86

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8¼% Denmark 80/82	95.50	8.64	8.91	11.00	1. 2.82P
9½% Denmark 80/90 PP	98.75	9.62	9.70	9.25	1. 5.90
6¾% Den Norske Ind. 77/89 (G)	90.75	7.44	9.61	4.02	1. 6.80—89D
6% Den Norske Ind. 78/90 (G)	85.10	7.05	9.59	5.51	1. 5.83—90D
6½% District Paris 69/84 (G)	94.75	6.86	8.44	3.17	1. 4.75—84D
7¼% E E C 76/83	97.25	7.46	8.67	2.17	1. 4.83
8¼% Electr. de France 80/88 PP (G)	94.50	8.73	9.26	7.75	1.11.88
7% Eletrobras 77/87 (G)	90.25	7.76	9.01	6.56	1. 3.83(83-87)
6¾% Eletrobras 78/88 (G)	78.75	8.57	12.57	5.17	1. 4.86
7% Eletrobras 79/87 (G)	79.75	8.78	11.91	6.00	1. 2.87
5¼% Elf Aquitaine 78/88	79.75	6.58	9.71	6.26	15. 5.86—88D
5¾% Elkem 78/88 PP	86.50	6.65	9.08	5.25	1. 6.84—88D
6¾% Ericsson 72/87	91.75	7.36	8.54	6.08	1. 3.78—87S
6½% ESCOM 68/83 (G)	95.00	6.84	9.91	1.64	1.10.74—83D
8½% ESCOM 70/85 (G)	97.00	8.76	9.83	2.61	1. 4.76—85D
8% ESCOM 71/86 (G)	95.00	8.42	10.22	2.99	1. 3.77—86D
6¼% ESCOM 72/87 (G)	86.00	7.27	11.46	3.37	1. 9.78—87D
7% ESCOM 73/88 (G)	89.00	7.87	10.45	4.05	1. 5.79—88D
8% ESCOM 78/84 PP (G)	93.00	8.60	10.32	3.75	1.11.84
8¾% ESCOM 79/84 I PP (G)	97.00	9.02	9.77	3.50	1. 8.84
8¾% ESCOM 79/84 II PP (G)	96.00	9.11	10.13	3.50	1. 8.84
9% ESCOM 80/87 PP (G)	97.00	9.28	9.67	6.49	1. 8.74—87D
9¼% ESCOM 80/87	97.50	9.49	9.76	6.74	1.11.87
7¾% ESTEL 73/88	89.25	8.68	9.82	7.50	1. 8.79—88S
8½% ESTEL 75/85	98.75	8.61	8.84	4.33	1. 6.81—85S
8½% ESTEL 76/83 PP	94.50	8.99	11.60	2.08	1. 3.83
6½% ESTEL 77/84 PP	87.25	7.45	10.79	3.76	1.11.84
6¼% ESTEL 77/84 PP	87.50	7.14	11.73	2.80	1.12.82—84D
6¼% ESTEL 78/85 PP	83.00	7.53	11.09	4.67	1.10.85
7¾% ESTEL 79/86 PP	90.50	8.56	10.06	5.50	1. 8.86
8½% ESTEL 79/86 PP	90.75	8.95	10.29	5.87	15.12.86
8⅞% ESTEL 80/87 PP	94.75	9.37	10.01	6.37	15. 6.87
5¾% Euratom 77/87	81.25	7.08	9.65	6.75	1.11.87
6¼% Euratom 79/91 PP	84.00	7.44	9.78	8.26	8. 2.84—91D
6½% Eurofima 67/83	95.00	6.84	10.09	1.55	1. 9.71—83D
6¼% Eurofima 72/87	89.00	7.02	10.23	3.39	1. 9.76—87D
6½% Eurofima 73/88	89.50	7.26	9.87	3.90	1. 3.77—88D
8% Eurofima 73/88	95.75	8.36	9.31	3.93	1.10.77—88D
8% Eurofima 76/83	98.25	8.14	8.99	2.00	1. 2.83
6¾% Eurofima 77/87 PP	90.00	7.50	9.97	3.91	1. 2.83—87D
5½% Eurofima 78/88	83.75	6.57	9.80	4.95	15. 2.84—88D
5½% Eurofima 78/88 PP	81.50	6.75	9.59	6.19	1.11.85—88D
6½% Eurofima 79/89	86.50	7.51	9.60	5.81	1. 2.85—89D
7% Eurofima 79/84 PP	92.50	7.57	9.49	3.67	1.10.84
7¼% Eurofima 79/87 PP	98.25	7.51	7.71	6.67	1.10.87
8¼% Eurofima 80/87 PP	94.50	8.73	9.37	6.75	1.11.87
7⅞% Eurofima 80/88 PP	91.50	8.61	9.60	6.96	15. 1.88
6% Europ. Inv. Bank 69/84	92.50	6.49	10.39	2.05	1. 3.75—84D
7% Europ. Inv. Bank 69/84	95.50	7.33	9.52	2.19	1.11.75—84D
7½% Europ. Inv. Bank 71/86	96.50	7.33	9.52	2.19	1. 3.77—86D
7¾% Europ. Inv. Bank 71/86	94.25	8.22	10.01	3.07	1.10.77—86D
6½% Europ. Inv. Bank 72/87	90.75	7.16	10.36	2.89	1. 3.78—87D
6% Europ. Inv. Bank 72/87	89.00	6.74	9.95	3.39	1. 9.80—87D
6¾% Europ. Inv. Bank 73/88	93.00	7.26	8.10	7.00	1. 2.79—88S
7% Europ. Inv. Bank 73/88	93.75	7.47	8.14	7.42	1. 7.79—88S
10% Europ. Inv. Bank 74/81 PP	100.00	10.00	9.79	0.58	1. 9.81
9½% Europ. Inv. Bank 75/83	100.65	9.44	8.86	1.41	1. 1.81—83D
8% Europ. Inv. Bank 76/83	97.75	8.18	9.74	1.39	1. 7.80—83D
7¾% Europ. Inv. Bank 76/83 PP	94.50	8.20	10.17	2.67	1.10.83
6¾% Europ. Inv. Bank 76/84	94.10	7.17	9.74	2.28	1.12.81—84D
6% Europ. Inv. Bank 77/89	86.25	6.96	9.73	4.76	1. 8.82—89D
6% Europ. Inv. Bank 78/88 I PP	80.50	7.45	9.77	7.50	1. 8.88
6% Europ. Inv. Bank 78/88 II PP	80.50	7.45	9.67	7.79	15.11.88
5¼% Europ. Inv. Bank 78/90	78.30	6.70	9.72	6.87	1. 3.85—90D
6% Europ. Inv. Bank 78/90	79.700	7.53	9.26	9.67	1.10.80P
7½% Europ. Inv. Bank 79/89	89.50	8.33	9.36	8.33	1. 6.89
7⅝% Europ. Inv. Bank 79/89 PP	88.50	8.62	9.65	8.50	1. 8.89
6½% Europ. Inv. Bank 79/91	81.75	7.95	9.41	9.92	1. 1.91P
9¼% Europ. Inv. Bank 80/86	101.00	9.16	8.98	5.25	1. 5.86
7⅞% Europ. Inv. Bank 80/90	89.90	8.76	9.52	9.50	1. 8.90
8½% Europ. Inv. Bank 80/90	96.00	8.85	9.13	9.71	15.10.90
9% Europ. Inv. Bank 80/87 PP	100.00	9.00	8.99	6.79	15.11.87
9½% Europ. Inv. Bank 80/90	101.75	9.34	9.20	9.25	1. 5.90
9½% Europ. Inv. Bank 80/90	100.90	9.42	9.35	9.83	1.12.90
8¼% Europistas 71/86 (G)	96.75	8.53	9.79	2.91	1. 2.77—86D
8% Europistas 72/87 (G)	94.75	8.44	10.16	3.28	1. 1.78—87D
7½% Fin. Inst. f. Dan. Ind. 76/81 PP	98.25	7.63	9.72	0.83	1.12.78—81S
7% Finland 68/83	96.25	7.27	10.39	1.30	1. 6.72—83D
6¾% Finland 68/83	95.50	7.07	9.74	1.80	1.12.72—83D
7% Finland 69/84	94.25	7.43	10.10	2.22	2. 5.73—84D
7½% Finland 69/84	95.50	7.85	10.15	2.11	1.10.73—84D
7% Finland 72/87	96.00	7.29	7.96	6.17	1. 4.78—87S
8% Finland 76/84	98.25	8.14	8.60	3.33	1. 6.81—84S
5½% Finland 78/83 PP	91.75	5.99	10.27	2.00	1. 2.83
6% Finland 78/83	90.50	6.63	10.00	2.83	1.12.83
5¾% Finland 78/86	83.50	6.89	10.12	5.00	1. 2.86
8% Finland 79/86	93.00	8.60	9.60	5.87	16.12.86
8⅜% Finn. Industriebank 80/90 (G)	92.00	9.14	10.09	6.00	1.11.83—90D
7½% Finn. Kommunal 69/81 (G)	98.50	7.61	9.61	0.83	1.12.72—81D
8% Finn. Kommunal 71/83 (G)	98.25	8.14	9.74	1.22	2. 5.76—83D
8¼% Forsmarks 75/83 (G)	97.75	8.44	9.99	1.38	1. 7.80—83D
5¾% Forsmarks 78/90 (G)	82.75	6.95	10.18	5.21	16. 1.83—90D
8⅞% Forsmarks 80/87 (G)	96.50	9.20	9.68	5.71	1.11.85—87D
7½% Francetel 76/83 (G)	95.00	7.89	9.65	2.71	16.10.83
6¾% Francetel 77/84 PP (G)	91.50	7.38	10.00	3.17	1. 4.84
7% Fuji Heavy 76/81 PP	97.50	7.18	10.22	0.83	1.12.81
9¼% Gen. Zbk. Vienna 75/82 PP	99.00	9.34	10.24	1.08	1. 3.82
8½% Gen. Zbk. Vienna 76/83 PP	98.00	8.67	10.01	1.49	1. 2.82—83D
6% Gen. Zbk. Vienna 77/87	85.75	7.00	9.90	4.74	1.12.82—87D
7% Giroz. Vienna 76/81	98.25	7.12	9.44	0.75	1.11.81
7¼% Giroz. Vienna 76/83	95.00	7.53	9.37	2.75	1.11.83
5½% Giroz. Vienna 77/82	93.50	5.88	9.88	1.67	1.10.82
5¾% Giroz. Vienna 78/86 PP	82.50	6.97	9.92	5.67	1.10.86
6⅞% Giroz. Vienna 79/84 PP	91.50	7.51	9.80	3.54	16. 8.84
8⅞% Giroz. Vienna 80/87 PP	95.50	9.29	9.84	6.33	1. 6.87
6% G. I. S. 78/83 PP	94.75	6.33	8.86	2.08	1. 3.82—83D

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
7% Grand Metrop. Fin. 77/84	91.75	7.63	9.87	3.50	1. 8.81—84S
8% Guest-Keen-Nettl. 76/83	95.85	8.35	10.11	2.25	2. 5.83
6¾% Hamersley Iron 72/87	88.75	7.61	9.13	6.42	1. 7.78—87S
8% Hazama-Gumi 76/81 PP	99.50	8.04	9.34	0.23	1. 6.81
8¼% Hazama-Gumi 80/85 PP	93.00	8.93	9.30	4.37	16. 6.85
7% Helsinki 68/83	98.00	7.14	8.08	2.42	1. 7.72—83S
9% Hidroelectr. Ibécica 80/90	97.35	9.24	9.56	6.32	1. 8.84—90D
5¾% Hitachi Shipbldg. 78/83	90.00	6.39	9.90	2.87	16.12.83
8¼% Honeywell Bull 80/90	94.25	8.89	9.30	9.50	1. 8.90P
8¼% IAKW. Vienna 75/85 (G)	99.50	8.79	8.94	2.70	1. 5.80—85D
10% IBM 80/86 PP	105.00	9.52	8.74	5.17	1. 4.86
7¼% Iceland 69/84	98.50	7.36	7.93	3.25	1. 5.73—84S
7¾% Iceland 77/87	97.50	7.95	8.28	6.16	1. 4.80—87S
6½% I C I Int'l. 72/92	85.50	7.60	8.58	11.08	1. 3.78—92S
7½% I C I Int'l. 76/86	91.00	8.24	9.93	4.80	1.12.84—86D
6¾% I C I Int'l. 77/87	88.25	7.65	9.39	4.69	1. 5.84—87D
8% ICIPU 71/91 (G)	94.50	8.47	9.61	5.04	1. 1.77—91D
8% Imatran Voima 72/87 (G)	97.50	8.21	8.73	5.92	1. 1.78—87S
7% Indonesia 78/84	91.25	7.67	9.84	3.67	1.10.84
7¾% Ind. Dev. C. South-Afr. 78/82 PP (G)	96.00	8.07	11.29	1.25	1. 5.82
8% Ind. Dev. C. South-Afr. 78/83 PP (G)	95.00	8.42	10.40	2.42	1. 7.83
6½% Industr. Bk. Japan 73/81 PP	99.25	6.55	9.44	0.25	1. 5.81
5% Industr. Bk. Japan 78/84	88.75	5.63	9.60	2.92	1. 1.84
7¼% Ind. Fund. of Finnland 79/87 PP	90.50	8.15	9.82	5.07	16. 9.84—87D
7¼% Ind. Min. Dev. Iran 73/85	69.50	8.38	10.68	4.25	1. 5.77—85S
7¾% Ind. Min. Dev. Iran 77/87	73.75	10.51	14.22	6.42	1. 7.83—87S
7¼% Ind. Min. Dev. Iran 78/84	74.00	9.80	17.47	3.62	16. 8.84
8% Ind. Mtgebk. Finl. 71/86 (G)	95.75	8.36	9.80	3.20	1.12.77—86D
7% Ind. Mtgebk. Finl. 72/87 (G)	92.00	7.61	10.21	3.22	1. 7.78—87D
6¾% Int. Am. Dev. Bank 68/83	99.25	6.80	7.22	2.42	1. 7.72—83S
7% Int. Am. Dev. Bank 69/84	99.50	7.04	7.29	3.50	1. 8.75—84S
8½% Int. Am. Dev. Bank 70/85	100.00	8.50	8.68	4.58	1. 9.76—85S
6¾% Int. Am. Dev. Bank 72/87 I	94.50	7.14	7.87	6.33	1. 6.78—87S
6¾% Int. Am. Dev. Bank 72/87 II	93.25	7.24	8.08	6.75	1.11.78—87S
8% Int. Am. Dev. Bank 76/83 PP	96.25	8.31	10.12	2.04	16. 2.83
8¼% Int. Am. Dev. Bank 76/83 PP	96.75	8.53	9.78	2.42	1. 7.83
7% Int. Am. Dev. Bank 77/87	89.00	7.87	9.51	5.92	1. 1.83—87S
6¼% Int. Am. Dev. Bank 78/88	83.00	7.53	9.74	6.82	1. 1.89
7¾% Int. Am. Dev. Bank 79/86	92.80	8.35	9.49	5.42	1. 7.86
8% Int. Am. Dev. Bank 79/89 PP	89.50	8.94	9.87	8.46	15. 7.89
8% Int. Am. Dev. Bank 80/88	92.65	8.63	9.48	7.00	1. 2.88
6¾% Int'l. Com'l. Bank 73/83	95.25	7.09	10.80	1.30	1. 6.79—83D
7¾% Ireland 79/87 PP	89.50	8.38	9.81	6.25	1. 5.87
8¼% Ireland 80/88	93.00	8.74	9.56	6.92	1. 1.88
7¾% ISCOR 71/86 (G)	93.50	8.29	9.64	5.33	1. 6.77—86D
7% ISCOR 72/87 (G)	90.00	7.78	10.74	3.52	1. 4.78—87D
7% ISCOR 73/88 (G)	88.50	7.91	11.36	3.30	1. 3.79—88D
8½% ISCOR 73/88 (G)	94.50	8.99	10.22	4.00	1.11.79—88D
7¾% ISCOR 78/82 PP (G)	97.00	7.99	12.72	0.65	1. 4.81—82D
8¼% ISCOR 78/84 PP (G)	92.00	8.97	10.96	3.71	16.10.84
7% Japan 68/83	99.00	7.07	7.66	2.08	1. 3.72—83S
8¼% Japan Air Lines 80/87 (G)	94.75	8.53	9.19	6.79	15.11.87
7¼% Japan Dev. Bank 76/83 (G)	95.75	7.57	9.49	2.17	1. 4.83
7¾% Japan Dev. Bank 80/87 (G)	91.75	8.31	9.34	6.58	1. 9.87
10¼% Japan Synthetic 80/85 PP	102.00	10.05	9.63	4.20	15. 4.85
8% Johannesburg 71/86 (G)	93.25	8.58	10.76	2.93	1. 9.77—86D
6¾% Johannesburg 72/87 (G)	86.00	7.27	11.46	3.37	1. 9.78—87D
7¾% Johannesburg 78/82 PP (G)	95.50	8.12	11.76	1.25	30. 4.82
7¼% Jydsk Telefon 69/84	96.50	7.51	8.56	3.62	15. 8.75—84S
6¾% Jydsk Telefon 72/87	92.00	7.34	8.48	6.08	1. 3.78—87D
7¼% Jydsk Telefon 73/88	94.00	7.71	8.42	7.00	1. 2.79—88D
9% Jydsk Telefon 75/82 PP	97.75	9.21	10.71	1.42	1. 7.82
8½% Jydsk Telefon 80/90	93.75	9.07	9.57	9.00	1. 2.90
6¾% Kansai Electric 69/84	98.00	6.89	7.63	3.08	1. 3.75—84S
7¼% Kansai Electric 71/86	93.10	7.90	8.90	5.25	1. 5.77—86S
6¾% KELAG 73/88	89.75	7.52	8.71	7.25	1. 5.78—88S
6¾% KHD Finance 72/87	92.25	7.32	8.38	6.25	2. 5.78—87S
7¼% Kjobenhavns H. Bank 76/83 PP	91.80	8.03	10.87	2.83	1.12.83
7½% Kjobenhavns Tel. 72/87	93.25	8.04	9.20	5.92	2. 1.78—87S
7% Kjobenhavns 72/87	93.25	7.84	9.33	6.25	1. 5.76—87S
6¾% Kjobenhavns Tel. 73/88	84.75	7.67	9.52	7.17	1. 4.79—88S
5¾% KLM Royal Dutch Airl. 78/85 PP	89.00	5.62	9.83	2.69	1. 5.79—85D
7% Kobe 68/83 (G)	99.00	7.07	7.61	3.33	1. 6.72—83S
6¾% Kobe 69/84 (G)	98.50	6.85	7.40	3.25	1. 5.73—84S
7¾% Kobe 71/86 (G)	99.85	7.76	7.79	5.00	1. 2.77—86S
6¾% Kobe 72/87 (G)	96.00	7.03	7.57	6.25	1. 5.78—87S
7½% Kobe 76/83 (G)	96.25	7.79	9.32	2.53	1. 6.83
6½% Kobe 77/87 (G)	86.75	7.49	9.35	8.33	1. 6.87
5¾% Kobe 78/85 (G)	86.00	6.69	9.12	5.42	1. 7.86
7¾% Kobe 79/89 (G)	87.50	8.14	9.27	8.67	1.10.89
8% Kobe 80/90 (G)	94.00	8.51	8.96	9.42	1. 7.90
7¾% Kommunl. Inst. 75/83	96.25	8.05	10.29	1.65	1. 4.81—83D
8% Kommunl. Inst. 76/84	96.00	8.33	9.30	3.71	15.10.77—84D
7¼% Korea Dev. Bank 77/84 (G)	88.15	8.32	11.20	3.83	1.12.84
5½% Kubota Int'l. 77/82 PP	83.75	5.60	10.53	1.22	1.12.81—82D
5¾% Kvaerner Ind. 78/88 PP	85.50	8.73	9.53	4.38	1. 3.84—88D

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8½% Light-Servicos 77/82 (G)	98.75	8.61	9.74	1.08	1. 3.82
6¾% Light-Servicos 78/86 (G)	78.30	8.62	12.63	5.25	1. 5.86
8½% Light-Servicos 80/90 (G)	84.25	10.09	12.00	8.85	16. 1.86—90D
9¾% Lonrho Intern. 80/87	100.25	9.73	9.68	6.25	2. 5.87
6½% Lufthansa Int'l. 78/86 PP	86.75	7.49	9.84	5.08	1. 3.86
7% Malaysia 72/84	96.25	7.27	9.34	1.78	1. 6.75—84D
6½% Malaysia 77/85	88.00	7.39	9.86	4.68	1. 9.85
9¼% Malmoe 75/84	99.75	9.27	9.39	1.96	1. 2.81—84D
8¼% Malmoe 76/83	98.00	8.42	9.65	1.57	1. 3.80—83D
6½% Manitoba 72/84	92.50	7.03	9.13	3.42	1. 7.84
6¾% Manit. Hydro El. 72/87	93.00	7.26	8.20	6.33	1. 6.78—87S
6¼% Megal Fin. Comp. 78/90	79.75	7.84	9.75	8.92	2. 1.85—90S
7% Megal Fin. Comp. 73/89	86.00	8.14	9.54	8.17	1. 4.67—89P
7% M E P C 73/88	89.50	7.82	10.27	4.06	1. 5.79—88D
7¼% Mexico 73/88	94.75	7.65	8.27	6.92	1. 1.79—88S
9% Mexico 75/82	99.75	8.02	9.12	1.42	1. 7.82
8% Mexico 76/83	96.00	8.33	9.96	2.33	1. 8.83
7¾% Mexico 77/84	93.75	8.27	10.02	3.33	1. 6.84
6% Mexico 78/85	86.75	6.92	10.03	4.17	1. 4.85
8¾% Michelin Finance 80/87 PP	98.50	8.88	9.04	6.79	16.11.87
8½% Midland Int. Fin. 80/90	95.00	8.95	9.29	9.70	15.10.90
6½% Mitsubishi Chemical 79/84	92.50	7.03	9.26	3.25	30. 4.84
5¾% Mitsubishi Petro. 78/83	91.25	6.30	9.71	2.58	1. 9.83
7¾% Mitsui Toatsu 76/81 PP	97.25	7.97	12.42	0.62	15. 9.81
9% MODO 75/83	99.25	9.06	9.48	1.30	1. 6.80—83D
7% Montreal 63/89	90.15	7.76	9.84	4.42	1. 4.70—89D
6% Montreal 72/92	84.00	7.14	9.88	5.53	1. 9.73—92D
6¾% Montreal 73/93	90.00	7.50	8.05	12.33	1. 6.74—93S
8½% Montreal 76/86	98.25	8.65	8.90	5.42	1. 7.77—86S
7% Montreal 77/87	89.00	7.87	9.33	8.46	16. 7.78—87S
7½% Mortg. Denmark 69/84 (G)	98.00	7.65	8.29	3.75	1.11.75—84S
7% Mortg. Denmark 73/93 (G)	92.60	7.56	8.37	7.42	1. 7.79—88S
8½% Mortg. Denmark 80/90 (G)	93.50	9.09	9.56	9.42	1. 7.90
6¾% Mortg. Bk. Finl. 69/84 (G)	96.50	6.99	8.18	3.17	1. 4.73—84S
8¾% Nafi. Mexico 76/83 PP (G)	96.50	9.07	10.21	2.83	1.12.83
7% Nafi. Mexico 77/82 PP (G)	95.00	7.37	10.53	1.58	1. 9.82
8¾% Nafi. Mexico 77/84 (G)	96.75	9.04	10.01	3.08	1. 3.84
8¾% Nafi. Mexico 77/84 PP (G)	96.75	9.04	10.01	3.08	1. 3.84
8¼% Nat. Bk. Hungary 75/81	99.00	8.33	10.57	0.42	1. 7.81
6½% Nat. Bk. Hungary 77/85	86.50	7.51	10.21	4.75	1.11.85
7% Nat. Nederl. Fin. Maat 79/86 PP	88.50	7.91	9.72	5.67	1.10.86
8% Nat'l. Westm. Bk. 73/88	96.25	8.31	8.68	7.67	1.10.79—88S
8% Nederl. Gasunie 79/86	95.75	8.36	8.96	5.83	1.12.83—86
8½% Nederl. Gasunie 80/87	90.75	8.52	8.55	6.08	1. 3.84—87S
6¾% New Brunswick 72/87	91.25	7.40	8.50	6.75	1.11.78—87S
7¼% Newfoundland 69/84	98.25	7.38	7.98	3.50	1. 8.75—84S
8% Newfoundland 71/86	96.50	8.29	8.81	5.50	1. 8.77—86S
6¾% Newfoundland 72/87	90.50	7.46	8.68	6.75	1.11.78—87S
6½% Newfoundland 73/88	89.75	7.24	8.48	7.17	1. 4.81—88S
6¾% New Zealand 69/84	95.60	7.06	9.46	1.97	1. 2.75—84D
7½% New Zealand 71/86	95.75	7.83	9.58	2.02	1. 5.77—86D
7% New Zealand 72/87	93.00	7.53	9.53	3.37	1. 2.78—87D
7½% New Zealand 76/83	96.50	7.77	9.41	2.08	1. 3.83
7¾% New Zealand 76/86	94.50	8.20	9.58	3.66	1.11.82—86D
6¼% New Zealand 77/84	91.00	6.87	9.58	3.25	1. 5.84
5¼% New Zealand 78/86	83.05	6.32	9.62	5.08	1. 3.86
6% New Zealand 79/86 PP	85.50	7.02	9.81	5.00	1. 2.86
6¼% New Zealand 79/87	86.00	7.27	9.44	5.92	1. 1.87
7⅛% New Zealand 79/87	89.15	7.99	9.38	6.62	15. 9.87
8¼% New Zealand 79/84 PP	96.50	8.55	9.36	3.83	1.12.84
7⅞% New Zealand 80/88	92.75	8.49	9.25	7.46	15. 7.88
6¾% Nippon Housing Loan 79/84 PP	92.50	7.30	9.48	3.29	16. 5.84
6½% Nippon Kokan 79/84	90.50	7.18	10.14	3.17	1. 4.84
5¾% Nippon Steel 78/85	87.00	6.61	9.35	4.58	1. 9.85
8¾% Nippon T + T 75/82 (G)	99.30	8.81	9.43	1.08	1. 3.82
8¼% Nippon T + T 75/82 (G)	98.60	8.37	9.35	1.33	1. 6.82
7¾% Nippon T + T 76/83 (G)	95.50	8.12	9.71	2.67	1.10.83
5½% Nippon T + T 79/87 (G)	82.00	6.71	9.58	6.00	1. 2.87
5¾% Norcem 78/85	86.85	6.62	9.81	4.08	1. 3.85
7½% Norcem 79/86 PP	89.00	8.43	10.16	5.58	1. 9.86
5% Norddt. LB Int'l. 78/84 PP	89.00	5.62	9.37	3.00	1. 2.84
6¼% Nordic Inv. Bank 79/86	87.75	7.12	9.48	4.92	1. 1.86
8½% Norges Komm. Bank 70/85 (G)	99.25	8.56	8.88	4.67	1.10.76—85S
7% Norges Komm. Bank 76/81 (G)	99.25	7.05	9.92	0.25	1. 5.81
7% Norges Komm. Bank 77/89 (G)	94.50	7.41	7.93	8.17	1. 4.80—89S
6% Norges Komm. Bank 77/89 I (G)	90.00	6.67	7.61	8.70	16.10.80—89S
6% Norges Komm. Bank 77/89 II (G)	86.70	6.92	8.17	8.83	1.12.80—89S
6% Norges Komm. Bank 78/90 (G)	86.75	7.00	8.21	9.60	1. 8.81—90S
6¼% Norges Komm. Bank 79/89 (G)	85.50	7.31	8.87	7.82	1. 1.84—89S
7⅜% Norges Komm. Bank 79/89 PP (G)	89.00	8.29	9.28	8.54	16. 8.84—89S
7¾% Norges Komm. Bank 79/91 (G)	89.75	8.64	9.32	10.42	1. 7.84—91S
8¼% Norges Komm. Bank 79/94 (G)	93.25	8.85	9.12	13.87	16.12.85—94S
8½% Norpipe 76/84	100.00	8.50	8.50	3.00	1. 2.80—84S
8% Norpipe 76/88	94.50	8.47	9.04	7.33	1. 6.83—88S
6% Norpipe 77/89	80.00	7.50	9.45	8.75	1.11.84—89S
7¼% Norsea Gas 76/88	89.00	8.15	9.28	7.83	1.12.83—88S
7% Norsea Gas 77/89	87.00	8.05	8.28	8.42	1. 7.84—89S
9% Norsk Hydro 75/87	98.50	9.14	9.80	2.90	1. 3.80—87D
8% Norsk Hydro 76/88	93.75	8.53	9.22	7.17	1. 4.83—88S
6¾% Norsk Hydro 77/89	86.75	7.78	9.07	8.33	1. 6.82—89S
7% Norway 76/81	99.30	7.05	9.71	0.25	1. 5.81
7½% Norway 76/81	99.25	7.56	9.21	0.42	1. 7.81
6½% Norway 77/82	97.30	6.68	9.69	0.92	1. 1.82
6¼% Norway 77/82	96.10	6.50	9.91	1.17	1. 4.82
5¾% Norway 77/82	94.85	6.06	9.55	1.50	1. 8.82
4¾% Norway 78/83	92.20	5.15	9.37	1.82	1. 1.83
4¼% Norway 78/83	90.70	4.82	9.30	2.17	1. 4.83
6¼% Norway 79/84	93.25	6.70	8.77	3.17	1. 4.84
7½% Norway 80/85	94.50	7.94	9.22	3.96	15. 1.85
7¼% Norw. Mortgage 77/87	92.00	7.88	9.63	4.20	16. 5.83—87D
6% Norw. Mortgage 77/89	86.00	6.98	9.62	5.05	16.11.82—89D
7¾% Nova Scotia 71/86	95.00	8.16	9.83	3.20	1.12.77—86D
7% Nova Scot. Power 72/87	93.00	7.53	8.38	6.83	1.12.78—87S
9¾% Nuclebras 80/88 (G)	90.00	10.83	11.78	7.62	16. 9.88
6¾% Occident. Int. Fin. 78/90	82.50	8.18	9.57	9.83	1.12.85—90S
6½% Occident. Overs. 68/83	92.00	7.07	10.23	2.67	1.10.72—83S
6% Oester. Donaukr. 69/84 (G)	94.75	6.33	9.17	1.97	1. 2.65—84D
6¾% Oester. Donaukr. 73/88 (G)	92.50	7.30	8.18	7.08	1. 3.79—88S
8¾% Oester. Draukr. 75/85 (G)	99.10	8.83	9.15	2.53	1. 3.81—85D
7% Oest. El. Wirtsch. 67/87 (G)	94.00	7.45	9.31	3.37	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83 PP (G)	93.25	7.51	9.79	2.87	16.12.83
5½% Oest. Ind. Verwaltung 78/85 PP (G)	85.00	8.47	9.83	4.42	1. 7.85
6⅞% Oest. Inv. Kredit. 79/84 PP	99.00	6.94	7.17	3.75	1.11.84
7% Oest. Kontrollbank 76/83 PP (G)	93.00	7.53	9.94	2.83	1.12.83
6¾% Oest. Kontrollbank 77/84 PP (G)	92.50	7.30	9.75	3.00	1. 2.84
6½% Oest. Kontrollbank 77/84 PP (G)	90.25	7.20	9.98	3.42	1. 7.84
6¼% Oest. Kontrollbank 77/84 PP (G)	89.50	6.98	9.92	3.50	1. 8.84
6% Oest. Kontrollbank 77/85 PP (G)	86.00	6.98	9.81	4.75	1.11.85
5¾% Oest. Kontrollbank 78/84 PP (G)	88.50	6.50	9.76	3.50	1. 8.84
6½% Oest. Kontrollbank 78/88 (G)	83.50	7.78	9.57	7.87	16.12.88
6% Oest. Kontrollbank 79/87 PP (G)	83.50	7.19	9.76	6.00	1. 2.87
7⅜% Oest. Kontrollbank 79/89	88.25	8.36	9.40	8.67	1.10.89
8% Oest. Kontrollbank 79/84 PP (G)	9.50	8.29	9.11	3.83	1.12.84
7½% Oest. Kontrollbank 79/86 PP (G)	92.75	8.49	9.53	5.87	16.12.86
8% Oest. Kontrollbank 80/87 (G)	94.00	8.51	9.35	6.00	1. 2.87
8¾% Oest. Kontrollbank 80/85 PP (G)	98.50	8.88	9.19	4.12	15. 3.85
8½% Oest. Kontrollbank 80/88 (G)	96.25	8.83	9.18	7.75	1.11.88
9% Oest. Kontrollbank 80/87 PP	98.50	9.14	9.31	6.28	15. 5.87
8¼% Oest. Kontrollbank 80/92	91.50	9.02	9.49	11.42	1. 7.92
7¾% Oest. Kontrollbank 80/88 PP (G)	98.75	7.85	7.96	7.58	1. 9.88
5½% Oest. Länderbank 77/82	93.30	5.89	9.64	1.83	1.12.82
6½% Ontario 68/84	96.35	6.75	8.73	1.97	1. 2.75—84D
6% Ontario 72/87	88.50	6.78	10.15	3.39	1. 9.80—87D
7½% Ontario Hydro 71/86	94.75	7.92	9.46	3.30	1.12.77—86D
6½% Ontario Hydro 72/87	91.25	7.12	9.84	3.15	1. 6.80—87D
6½% Ontario Hydro 73/88	89.85	7.23	9.73	3.90	1. 3.81—88D
7½% Oslo 69/84	95.30	7.87	10.18	2.19	1.11.75—84D
7½% Oslo 71/87	97.75	7.67	8.14	5.92	2. 1.78—87S
6¾% Oslo 73/90	90.00	7.50	8.31	9.42	1. 7.76—90S
9% Oslo 73/87	100.90	8.92	8.69	3.64	1. 3.78—87S
8¾% Oslo 80/90	99.50	8.79	8.83	9.08	1. 3.83—90S
6¾% Papua 73/88	92.00	7.34	8.22	7.42	1. 7.79—88S
6¾% Parker-Hannifin 77/87 PP	87.75	7.69	10.45	4.23	1. 6.83—87D
7½% Parker-Hannifin 79/87 PP	88.50	8.47	10.37	5.38	1. 7.85—87D
8¾% Pemex 76/83	96.75	9.04	10.10	2.83	1.12.83
7% Pemex 77/84	90.50	7.73	10.27	3.58	1. 9.84
7% Pemex 78/88	88.25	7.93	10.15	4.92	1. 1.86
7% Petrobras 77/84	86.50	8.09	11.71	3.87	1.10.84
7% Petrobras 78/88	80.00	8.75	12.13	5.55	1.10.84—88D
8% Petrobras 79/89	82.75	9.67	11.92	6.55	1.10.85—89D
7¼% Philippine 77/84	89.75	8.08	10.69	3.75	1.11.84
6¾% Philippine 78/85	86.50	7.80	10.94	4.17	1. 4.85
8¾% Philips 75/81 PP	99.50	8.79	11.52	0.17	1. 4.81
8½% Philips 75/81 PP	99.50	8.54	10.72	0.21	15. 4.81
8¾% Philips 75/82	98.75	8.86	9.94	1.12	15. 3.82
5¾% PK-Banken 78/88	82.25	6.99	10.35	5.15	1. 5.84—88D
6¼% Postipankki 79/85 PP	94.00	6.52	8.96	2.45	1. 2.82—85D
7¼% Privatbk. Copenh. 77/83 PP	94.00	7.71	10.46	2.17	1. 4.83
6¼% Pyhrn Autobahn 77/89 (G)	85.00	7.35	9.67	5.85	1. 9.84—89D
6½% Quebec 72/87	90.25	7.20	10.17	3.22	1. 7.78—87D
7½% Quebec 77/87	91.00	8.24	9.54	6.00	1. 2.87
7¼% Quebec 77/87	89.75	8.08	9.46	6.33	1. 6.87
6% Quebec 78/90	81.10	7.40	10.04	6.61	1. 5.85—90D
6¾% Quebec Hydro El. 69/84	96.50	6.99	8.25	3.00	1. 2.75—84S
7¼% Quebec Hydro El. 69/84	93.75	7.37	9.83	2.02	1. 9.75—84D
8% Quebec Hydro El. 71/86	96.25	8.31	9.71	2.95	1. 9.77—86D
6½% Quebec Hydro El. 72/87	89.85	7.23	10.65	2.87	1. 4.78—87D
6½% Quebec Hydro El. 73/88	88.50	7.34	10.22	3.89	1. 3.79—88D
6½% Quebec Hydro El. 77/87	85.75	7.58	9.51	6.54	16. 8.87P
6¼% Quebec Hydro El. 77/87	84.25	7.42	9.48	6.83	1.12.87P
8½% Queensland Alu. 70/85	98.75	8.61	9.02	4.75	1.11.76—85S
5¾% Rautaruukki 78/88 (G)	83.00	6.93	10.20	5.07	1. 4.84—88D
7¼% Reed Paper 73/88	92.75	7.82	8.68	6.92	1. 1.79—88S
7½% Renault 80/85 PP	91.25	8.22	9.94	4.58	1. 9.85
8½% Renfe 76/82 (G)	98.00	8.67	10.01	1.42	1. 7.82
8% Renfe 77/84 (G)	94.75	8.44	9.99	3.17	1. 4.84

WestLB Euro-Deutschmarkbond Yield Index

January 30, 1981: 9.63% (December 30, 1980: 9.49%)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
7% Renfe 79/87 (G)	85.50	8.19	10.20	6.33	1. 6.87
9% Rep. Chile 80/86	96.50	9.33	9.83	5.50	1. 8.86
5¼% Ricoh Comp. 78/83	90.25	5.82	9.81	2.50	1. 8.83
7¾% Roy. Bk. of Canada 80/90	92.75	8.36	8.90	9.49	1. 8.90
6¾% Roy Lease 79/84 PP	93.50	7.22	8.88	3.67	1.10.84
7¾% SAAB 71/86	97.25	7.97	8.57	5.33	1. 6.77—86S
7½% Saga Petrolemi 77/87 PP	94.00	7.98	8.75	6.42	1. 7.83—87S
7½% Sandvik 72/87	93.75	8.00	9.77	3.36	1. 2.78—87D
9¼% Sandvik 75/83	99.90	9.26	9.31	2.00	1. 2.83
7% Sanko Steamship 77/84	92.75	7.55	9.91	3.00	1. 2.84
8¼% Seiyu Stores 80/86	94.25	8.75	9.74	5.08	1. 3.86
6½% Shell Int'l. 72/87	95.50	6.81	7.43	6.17	1. 4.78—87S
6¾% Shell Int'l. 77/89	88.25	7.65	9.43	5.91	1. 2.85—89D
7% Siemens Europe 66/81	99.25	7.05	8.00	0.75	1.11.70—81S
7% Singapore 72/82	96.00	7.29	10.35	1.42	1. 7.78—82S
6½% Singapore 77/83	85.00	6.84	9.03	2.25	1. 5.83
8½% Sira Kvina 70/85	98.00	8.67	9.73	2.24	1. 6.75—85D
6½% S.N.C.F. 68/83 (G)	95.00	6.84	8.65	2.67	1.10.72—83S
7½% Soc. Dev. Reg. 76/86 (G)	94.00	7.98	9.64	3.40	1. 4.80—86D
6⅞% Soc. Dev. Reg. 77/92 PP (G)	81.50	7.67	10.06	6.98	16.12.83—92D
9% Soc. Mar. Fina 75/83 PP	98.50	9.14	10.30	1.22	1. 5.79—83D
6¼% Sorrento 79/84 PP	91.00	6.87	9.91	2.95	16. 1.84
6¾% South-Africa 69/84	99.50	6.78	7.04	3.17	1. 4.73—84S
8½% South-Africa 70/85	99.50	8.54	8.81	4.75	1.11.76—85S
7¾% South-Africa 71/86	98.25	7.89	8.30	5.75	1.11.77—86S
7% South-Africa 72/87	97.75	7.16	7.43	6.75	1.11.78—87S
9% South-Africa 80/87	97.00	9.28	9.63	6.42	1. 7.87
8% South-Afr. Broadc. 78/81 PP (G)	99.50	8.04	13.92	0.08	due 1. 3.81
7¼% South-Afr. Oil Fund 78/81 I PP (G)	97.00	7.47	11.54	0.75	1.11.81
7¼% South-Afr. Oil Fund 78/81 II PP (G)	97.50	7.44	10.62	0.79	16.11.81
7¾% South-Afr. Oil Fund 78/82 I PP (G)	95.50	8.12	11.09	1.50	1. 8.82
7¾% South-Afr. Oil Fund 78/82 II PP (G)	95.50	8.12	10.85	1.62	16. 9.82
8% South-Afr. Oil Fund 79/83 PP (G)	92.50	8.65	11.29	2.74	1.11.83
7¾% South-Afr. Oil Fund 79/84 PP (G)	93.00	8.33	10.51	3.08	1. 3.84
7½% South-Afr. Railway 73/88 (G)	93.25	8.04	8.77	7.33	1. 6.79—88S
7¾% South-Afr. Railway 78/82 PP (G)	95.50	8.12	11.75	1.25	1. 5.82
8% South-Afr. Railway 78/83 I PP (G)	94.50	8.47	10.65	2.42	1. 7.83
8% South-Afr. Railway 78/83 II PP (G)	94.50	8.47	10.50	2.58	1. 9.83
7¾% South-Afr. Railway 78/83 PP (G)	92.50	8.38	10.95	2.83	1.12.83
7% South Scot. El. 73/88 (G)	90.25	7.76	8.93	7.00	1. 2.79—88S
6¾% Spain 77/84	91.60	7.37	9.68	3.50	1. 8.84

CONVERTIBLES-SWITZERLAND (CONTINUED) · CONVERTIBLES-U.K. · CONVERTIBLES-U.S. (CONTINUED)

[illegible]

AIBD PUBLICATION DATES 1981

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Wednesday 11th March

Tuesday 14th April

Wednesday 13th May

Thursday 11th June

Monday 13th July

Thursday 13th August

Mon. 14th September

Tuesday 13th October

Wed. 11th November

Tues. 15th December

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WestLB Euro-Deutschmarkbond Quotations (Continued)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund*
6% Spain 78/88	81.25	7.38	9.71	7.25	1. 5.88
6% Sparbank Oslo 78/90 PP	86.00	6.98	10.08	4.40	15. 5.81—80D
7¾% Standard Imp. & Exp. 78/82 PP	93.75	8.27	12.49	1.50	1. 8.82
6½% Stand. Chart. Bank 78/88	85.00	7.65	9.56	6.92	1. 1.88
6% Statoil 78/88 (G)	82.50	7.19	9.09	7.58	1. 9.84—88S
6½% Statoil 79/89 (G)	88.00	7.56	9.01	8.08	1. 3.86—89S
7% Statsfoeretag 77/85	92.75	7.55	10.40	2.52	1. 3.82—85D
8¾% Stockholm County 75/87	97.50	8.97	9.60	3.53	1. 4.79—87D
8½% Sumitomo Metal 75/82	98.25	8.65	9.81	1.42	1. 7.82
7½% Sun Oil Int. Fin. 73/88	94.25	7.96	8.56	7.50	1. 8.79—88S
7¼% Svenska Cell 73/88	92.75	7.82	8.67	7.00	1. 2.79—88S
6¾% Sveriges Inv. Bk. 72/87	91.75	7.36	8.54	6.08	1. 3.78—87S
7% Sveriges Inv. Bk. 73/88	91.75	7.63	8.60	7.08	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	98.85	8.60	9.03	2.33	1. 6.80—83S
6½% Sweden 77/84	91.50	7.10	9.65	3.25	1. 5.84
6% Sweden 77/89	81.00	7.41	9.23	8.83	1.12.83—89S
7¾% Sweden 79/89	89.00	8.71	9.71	8.42	1. 7.89
7½% Sweden 79/89 PP	86.50	8.67	9.91	8.50	1. 8.89
8% Sweden 80/87 PP	92.25	8.67	9.75	6.04	16. 2.87
9¾% Sweden 80/87	101.00	9.65	9.51	6.17	1. 4.87
9% Sweden 80/87 PP	98.25	9.16	9.36	6.29	15. 5.87
9¼% Sweden 80/87 PP	99.25	9.32	9.39	6.75	1.11.87
7⅞% Sweden 80/90	88.75	8.87	9.72	9.58	1. 9.90
9½% Swedish Export 80/87	100.25	9.48	9.42	5.27	1.12.84—87S
9½% Tauernautobahn 74/81 (G)	99.75	9.52	9.88	0.42	1. 7.81
9% Tauernautobahn 75/82 PP (G)	98.75	9.11	10.24	1.08	1. 3.82
9% Tauernautobahn 75/83 PP (G)	97.75	9.21	10.23	2.08	1. 3.83
5½% Tauernautobahn 78/93 (G)	76.25	7.21	8.74	12.17	1. 4.84—93S
8½% Tauernautobahn 80/90 (G) PP	94.00	9.04	9.46	9.71	16.10.90
7% Tauernkraftwerke 68/83 (G)	98.00	7.14	8.64	1.49	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	97.00	6.70	7.95	2.58	1. 9.74—83S
8% Tenpfinco 73/83	89.50	8.93	9.43	12.75	1.11.82—83S
9½% Tenpfinco 75/82 PP	99.00	9.60	10.49	1.08	1. 3.82
6¼% Thailand 78/83 PP	93.00	6.72	9.98	2.17	1. 4.83
8½% Thyssen Car. Fin. 75/82 PP	98.00	8.67	10.35	1.17	1. 4.82
8¼% Thyssen Car. Fin. 75/82 PP	97.50	8.46	10.16	1.42	1. 7.82
6½% Thyssen Inv. 66/81	99.55	6.53	11.88	0.08	due 1. 3.72—81D
7¼% Tokyo El. Power 69/84	95.50	7.59	9.71	2.28	1.12.75—84D
6½% Tokyo El. Power 79/85	90.60	7.17	9.26	4.25	1. 5.85
5½% Toyo Rubber 78/83 PP	88.25	6.23	10.77	2.67	1.10.83
6½% Traf. House Fin. 72/87	91.00	7.14	8.30	6.67	1.10.78—87S
6% Trinidad & Tobago 78/83	90.00	6.67	11.44	2.17	1. 4.83
6¾% Trondheim 68/83	96.00	7.03	8.53	2.83	1.12.72—83S
5¾% Trondheim 76/88	82.00	7.01	9.78	6.14	1. 4.86—88D
7½% T R W Int. Fin. 69/84	96.65	7.76	8.76	3.67	1.10.75—84S
6% T V O Power 78/88 (G)	83.50	7.19	9.31	7.00	1. 2.84—88S
5¾% UDS Group 78/83	90.00	6.39	10.32	2.58	1. 9.83
9¾% Unilever 74/81 PP	100.00	9.75	9.67	0.83	1.12.81
8½% Unilever 75/87	98.50	8.63	8.81	6.25	1. 5.81—87S
6½% Union Bank Finland 78/88	85.50	7.60	9.16	7.87	16.12.84—88S
5¾% Uniroyal 78/84 PP	78.00	7.37	14.10	3.50	1. 8.84
6¾% Unit. Arab. Emirats 77/82 PP	94.00	7.18	12.15	1.25	30. 4.82
7% Venezuela 68/83	96.00	7.29	8.90	2.67	1.10.74—83S
6% Venezuela 78/88	79.50	7.55	10.20	7.08	1. 3.84—88S
6½% Venezuela 78/90	79.00	8.23	9.95	9.75	1.11.85—90S
9¾% Venezuela 80/90	96.50	10.10	10.32	9.75	1.11.86—90
7% Vienna 68/83	95.50	7.33	9.39	2.33	1. 6.74—83S
8¼% Vienna 75/84	97.50	8.46	9.67	1.94	1. 8.79—84D
5¾% Vienna 77/84 PP	87.00	6.61	9.95	3.87	15.12.84
8½% Voest-Alpine 73/88	96.50	8.81	9.14	7.67	1.10.79—88S
8½% Voest-Alpine 75/85	97.25	8.74	9.88	2.24	1. 6.81—85D
6¾% Voest-Alpine 77/89	86.25	7.83	10.02	5.59	1. 6.84—89D
6½% Wells-Fargo ex w. 73/88	90.00	7.22	8.29	7.75	1.11.79—88S
8¾% Westland-Utrecht 80/85 PP	96.50	9.07	9.82	4.08	1. 3.85
9% Westland-Utrecht 80/87 PP	97.75	9.21	9.45	6.75	1.11.87
5½% Worldbank 65/85	98.75	5.57	5.93	4.17	1. 4.71—85S
6½% Worldbank 68/84 PP	94.50	6.88	9.81	1.89	2. 1.77—84D
6½% Worldbank 69/84	94.75	6.86	10.03	1.77	1. 6.75—84D
6% Worldbank 69/84 PP	93.00	6.45	9.77	2.14	1. 4.77—84D
8% Worldbank 70/85	98.00	8.16	8.82	2.83	1. 1.77—85D
7½% Worldbank 71/86 I	95.25	37	9.54	2.70	1. 6.77—86D
7½% Worldbank 71/86 II	94.50	34	9.58	3.20	1.12.77—86D
6½% Worldbank 72/82	95.75	6.79	9.80	1.42	1. 7.82
6¾% Worldbank 72/87	91.25	7.40	8.86	3.45	1. 3.78—87D
6¾% Worldbank 73/83	95.50	7.07	9.32	2.00	1. 2.83
6¾% Worldbank 73/88	90.10	7.08	9.83	3.51	1. 5.79—88D
8¼% Worldbank 75/82 PP	98.00	8.42	9.85	1.33	1. 6.82
8% Worldbank 75/82	99.10	8.07	8.52	1.83	1.12.82
8¼% Worldbank 75/83	97.25	8.48	9.53	2.42	1. 7.83
8% Worldbank 76/82 PP	97.25	8.23	9.99	1.50	1. 8.82
7¾% Worldbank 76/82 PP	97.00	7.99	9.73	1.67	1.10.82
7½% Worldbank 76/83	96.25	7.79	9.39	2.25	1. 5.83
7¾% Worldbank 76/83	96.25	8.05	9.37	2.67	1.10.83
6¾% Worldbank 76/83 PP	93.00	7.26	9.67	2.83	1.12.83
8% Worldbank 76/84	97.25	8.23	9.09	3.00	1. 2.84
5½% Worldbank 77/82 PP	93.00	5.91	10.36	1.62	15. 9.82
7% Worldbank 77/85 PP	92.50	7.57	9.28	4.08	1. 3.85
6½% Worldbank 77/85 PP	89.50	7.26	9.61	4.25	1. 5.85
6% Worldbank 77/85	87.35	6.87	9.49	4.62	15. 9.85
7% Worldbank 77/87	88.60	7.90	9.61	5.92	1. 1.87
6½% Worldbank 77/87	85.60	7.59	9.66	6.25	1. 5.87
5¾% Worldbank 78/84	89.25	6.44	9.48	3.50	1. 8.84
6% Worldbank 78/88	81.15	7.39	9.63	7.50	1. 8.88
6¼% Worldbank 78/88	82.40	7.58	9.53	7.83	1.12.88
5¾% Worldbank 78/90	79.50	7.23	9.75	7.44	1. 2.87—90D
7% Worldbank 79/85 PP	89.00	7.87	10.14	4.50	1. 8.85
7⅛% Worldbank 79/87 PP	87.50	8.14	9.80	6.50	1. 8.87
7¾% Worldbank 79/91	89.10	8.70	9.42	10.42	1. 7.91
10% Worldbank 80/86	103.75	9.64	9.05	5.25	1. 5.86
8½% Worldbank 80/89 PP	97.00	8.76	9.06	7.33	1. 6.88
9% Worldbank 80/88 PP	99.50	9.05	9.06	7.25	1. 5.88
7⅞% Worldbank 80/90	90.50	8.70	9.50	8.92	1. 1.90
7⅞% Worldbank 80/90 II PP	91.00	8.65	9.41	8.92	1. 1.90
10% Worldbank 80/90	105.50	9.48	9.08	9.25	1. 5.90
8% Worldbank 80/90	91.35	8.76	9.40	9.50	1. 8.90
7¾% Worldbank 80/88 PP	90.00	8.61	9.67	7.50	1. 8.88
9¼% Worldbank 81/91	100.00	9.25	9.24	9.11	1. 1.91
6¾% Yokohama 68/83 (G)	99.00	6.82	7.31	2.58	1. 9.72—83S
7% Yokohama 69/84 (G)	99.50	7.04	7.28	3.68	30. 9.73—84S
8% Yokohama 71/86 (G)	99.50	8.04	8.10	5.50	1. 8.77—86S
8% Yugosl. Inv. Bank 77/84 PP	95.75	8.36	9.35	3.87	15.12.78—84S

AIBD
EXPLANATORY NOTES AND ABBREVIATIONS

SPECIAL REFERENCES

1. General—attached to name of borrower

- D = Domestic Management Group
- L = Bondholders option to redeem loan prior to maturity or to extend maturity
- P = Private or semi-private placement
- MC = Principal/Interest payable in more than two currencies
- W = Withholding taxes (with percentage rate %)
- WW = With warrants
- XW = Ex warrants

2. £/DM issues

The figures shown are the fixed £/DM parities which prevail over the lives of the issues.

3. Floating rate issues

The figures given are the minimum coupon rate: % margin above LIBOR.

4. Attached to maturity description

- S = Semi-annual payments
- Q = Quarterly payments

5. Convertible issues

The share price is always denominated in the same currency as the conversion price. Please note that where the premium exceeds 200% no fig. is shown in premium/discount column.

The following convertible bonds are subject to convertibility into the indicated stocks.

NAME OF BOND			CONVERTIBLE INTO
American Tobacco Int.	5¼	1988	American Brands Inc.
Asia Navigation Int.	6½	1989	East Asia Navigation Co.
Bankers Int. (Lux.)	5	1986	Bankers Trust New York
Broadway—Hale Stores	4¾	1987	Carter Hawley Hale
Burmah Oil	5½	1988	Shell Transport & Trading
Chevron Oil O/S	5	1988	Standard Oil of California
Dart Industries	4¾	1987	Minnesota Mining & Manufacturing
Inter-Continental Hotels	7	1986	Pan-Am World Airways
Int. Standard Elec.	5	1988	International Tel & Tel
Int. Standard Elec.	5¼	1988	International Tel & Tel
Int. Standard Elec	6¼	1989	International Tel & Tel
ISE Finance Holding	4½	1986	International Tel & Tel
Lessco Int.	5	1989	International Tel & Tel
Levin-Townsend Int. Fin.	5	1988	Rockwood Computer
Norwich OS	4¾	1983	Morton-Norwich Products
Owens-Illinois	4½	1987	Owens-Corning Fibreglass
Plywood Champion Int.	5½	1983	Champion Int.

The following international convertible issues have fixed rates of currency conversion

COUNTRY	ISSUE/COUPON/MATURITY			EXCHANGE RATE	
DENMARK	Novo Industri	7	1989	D.Kr.5.344	= $1
FRANCE	Michelin Int. Dev.	6	1985	F.Fr.5.564	= $1
HONG KONG	Asia Navigation Int.	6½	1989	$HK5.07	= $1
ISRAEL	Leumi Int. Inv.	7	1984	£I 10.1026	= $1
JAPAN	Asahi Chemical	6¾	1990	Yen 303.0	= $1
	Asahi Optical	6	1992	Yen 282.0	= $1
	Asahi Optical	7	1994	Yen 222.13	= $1
	Asics	5¾	1993	Yen 216.0	= $1
	Canon Inc.	6¾	1994	Yen 216.45	= $1
	Dai Nippon Printing	6¾	1986	Yen 360.0	= $1
	Daiei Inc.	6	1991	Yen 300.0	= $1
	Daiei Inc.	6½	1994	Yen 224.3	= $1
	Daiwa House Ind.	7¼	1991	Yen 301.0	= $1
	Hitachi Ltd.	6¾	1984	Yen 360.0	= $1
	Hokushin Electric	6¾	1992	Yen 248.0	= $1
	Honda	5½	1989	Yen 201.60	= $1
	Ito-Kokado	5¾	1993	Yen 213.5	= $1
	Ito-Kokado	6	1992	Yen 272.0	= $1
	Jusco	6	1992	Yen 227.4	= $1
	Kao Soap	6	1992	Yen 266.0	= $1
	Komatsu Manf.	6¼	1984	Yen 360.0	= $1
	Komatsu Ltd.	7¼	1990	Yen 284.2	= $1
	Kubota	6¾	1991	Yen 303.0	= $1
	Marui	6½	1991	Yen 299.0	= $1
	Matsushita Elec.	6¾	1990	Yen 303.0	= $1
	Meidensha	11	1994	Yen 223.82	= $1
	Mitsubishi Elec.	7	1985	Yen 360.0	= $1
	Mitsubishi Gas Chem.	6	1992	Yen 272.0	= $1
	Mitsubishi Heavy Ind.	6½	1991	Yen 305.55	= $1
	Mitsubishi Corp.	6	1992	Yen 267.0	= $1
	Mitsubishi Corp.	7½	1990	Yen 293.0	= $1
	Mitsubishi Corp.	6¾	1991	Yen 301.0	= $1
	Mitsubishi Corp.	7¼	1994	Yen 224.74	= $1
	Mitsui & Co.	7¼	1990	Yen 298.0	= $1
	Mitsui & Co.	8¼	1989	Yen 299.0	= $1
	Mitsui Real Estate	6	1992	Yen 267.6	= $1
	Nippon Seiko	7¼	1994	Yen 224.48	= $1
	Nitto Elec. Ind.	6	1992	Yen 264.13	= $1
	Nitto Elec.	6	1994	Yen 219.64	= $1
	Ricoh	6¼	1991	Yen 295.0	= $1
	Sanyo Electric	6¾	1991	Yen 293.55	= $1
	Sanyo Electric	7½	1990	Yen 302.17	= $1
	Settsu Paperboard	6¾	1992	Yen 243.0	= $1
	Sumitomo Elec.	6	1992	Yen 267.0	= $1
	Sumitomo Metal	6	1992	Yen 287.5	= $1
	Takeda Chemical	6	1984	Yen 360.0	= $1
	Takuni Dept. Store	6	1982	Yen 266.0	= $1
	Toshiba	6¼	1982	Yen 254.0	= $1
	Toshiba	6¾	1990	Yen 295.8	= $1
	Toshiba	7¼	1994	Yen 226.45	= $1
NETHERLANDS	Ennia	7¼	1992	D.Fl.2.4565	= $1
	All other issues			D.Fl.3.60	= $1
SINGAPORE	Dev. Bank of Singapore	6½	1991	S$2.44	= $1
	United Overseas Bank	6¾	1988	S$2.32	= $1
SOUTH AFRICA	Rand Selection Corp.	6½	1986	RD0.7143	= $1
SWEDEN	Aga	7¾	1989	SwKr4.31125	= $1
	Esselte	7¾	1989	SwKr4.35875	= $1
	Sandvik	6¾	1988	SwKr4.7825	= $1
UK	Babcock Nederland	7	1991	£0.574	= $1
	Beecham Fin.	6¾	1992	£0.574	= $1
	Boots	6¾	1993	£0.529	= $1
	Burmah Oil	5½	1988	£0.417	= $1
	Burton B.V.	5¾	1982	FFr.11.88225	= $14
	Compair (UK)	8½	1987	£0.582	= $1
	ICI Int. Fin.	6¾	1997	£0.574	= $1
	Inchcape (Bermuda)	6¾	1992	£0.582	= $1
	Rank Organisation	4¾	1993	£0.425	= $1
	Slater Walker	5¾	1987	£0.385	= $1
	Thorn Int. Fin.	7	1988	£0.530	= $1

Union Bank of Switzerland (Lux.) 5% 1981 differs from other convertibles in that the bonds are denominated US$1350 and each bond is convertible into 1 Bearer share of S.Fr.500 nominal value of UBS.
Credit Suisse (Bahamas) 4¾ 1991 differs from other convertibles in that the bond is denominated US$1000 and each bond is convertible into 1 Bearer Share of S.Fr.500 nominal value of Credit Suisse.
The following convertible issues have conversion rights which expire prior to maturity.

NAME OF BOND		MATURITY	CONVERSION RIGHTS EXPIRE
Asahi Chemical	6¾	30/9/1990	15/9/1990
Dai Nippon Ptg.	6¾	31/5/1986	30/4/1986
Hitachi	6¾	30/9/1984	31/8/1984
Mitsubishi Elec.	7	31/3/1985	28/2/1985
Rand Selection	6½	1/3/1986	31/1/1986
Takeda Chem.	6	31/3/1984	28/2/1984
Toshiba	6¾	30/9/1990	15/9/1990

6. Denomination of non-dollar bonds

Euro-guilders — all denominated	Fl: 10,000
French Francs — all denominated with the exception of	FFr. 5,000
Aerospatiale	FFr. 10,000
European Coal & Steel 7% 1980	FFr. 10,000
European Coal & Steel 7½% 1991	FFr. 10,000
Francaise de Petroles — BP	FFr. 10,000
Philips Lamps 10¾% 1980	FFr. 50,000
Roussel — Uclaf	FFr. 10,000
SOPAD	FFr. 50,000
STERLING-DEUTSCHE MARKS	
Enso Gutzeit 6½% 1980	£100; £500
ICI 8% 1986	£500
Ireland 7% 1981	£500; £500
Ireland 7% 1988	£500
Met. Estates 6¾% 1987	£500
New Zealand 6¾% 1982	£90; £450
Rothmans Int. 6¾% 1992	£500
Sira Kvina 7¾% 1983	£100; £500
Turin 6½% 1984	£100; £500
US Rubber 6% 1989	£100; £500

7. Yield calculations

All yields are calculated on annual rates e.g. a 10% bond standing at par, paying interest once p.a. will have a current and maturity yield of 10%. A 10% bond paying semi-annually would yield 10.25%. Market practice demands that the current yield on $ floating rate bonds is calculated as coupon/price.

8.

These securities have not been registered under the Securities Act of 1933 and may not be offered or sold directly or indirectly in the United States, its territories or possessions, or to nationals or residents thereof.
The information is from reports from official and other sources which we consider reliable, but adequate means of checking its accuracy are not available and we do not guarantee that the information contained herein is accurate or complete.

9. Other notes

The amounts shown as remaining outstanding are estimated by applying the scheduled sinking fund instalments. These are further adjusted where a non-cumulative option to double sinking fund payments has been exercised.
Yields are calculated in accordance with Rule 803 of Statutes, By-Laws, Rules and Recommendations of the AIBD using compound interest throughout. *Negative yields are not shown.*
The maturity, average life and first call yields are adjusted to a 360 day annual rate.
Yield to next call is shown on the basis that the borrower gives notice that he wishes to call the bond as soon as possible after the date of publication of this list.

Unit of account bonds

The new units of account formula applies to issues from 1973 onwards and the old formula to issues in or prior to 1972.
All payments of interest and capital of EUA bonds are made on the basis of the strongest reference currency, which means that the bondholder receives the equivalent in his own currency of the EUA/strongest reference currency parity prevailing at the time of payment. The EUA can thus at any given time be identified with the strongest reference currency. For convenience sake, however, bonds are quoted on the secondary market on the basis of the EUA/DM parity prevailing at the time of quotation. In order to be correct, yields for EUA bonds should be calculated on the basis of the strongest reference currency. For this purpose the price in DM is converted into the price in the strongest reference currency, taking into account the premium (if any) of the strongest reference currency against the DM. It is on the thus reduced price that the yield calculations are made.

INVESTMENT FUNDS
The following funds include Eurobond issues within their portfolios
Quotations & yields as at 31st January, 1981

SOCIETE GENERAL De BANQUE
BANQUE GENERALE Du LUXEMBOURG

Funds 31/1/81	Price	First Issue Price	Yield %	Div. Date	1/2/80 High	31/1/81 Low	1/2/78 High	31/1/81 Low
Rentinvest	LuxFr 763	LuxFl 1000	9.53	20/11/80	LuxFl 800	LuxFr 727	LuxFl 918	LuxFl 727
Capital Rentinvest	LuxFr 1506	LuxFl 1000		(F71) (Capitalisation)	LuxFl 1506	LuxFl 1321	LuxFl 1506	LuxFl 1292

The Association of International Bond Dealers

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Kredietbank N.V.

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Banque Nationale de Paris
Credit Commercial de France Paris
Credit Lyonnais
Interunion-Banque
Smith Barney Harris, Upham & Co. Inc.

REGION 3 - GERMANY/AUSTRIA

Commerzbank AG
Deutsche Bank AG
Dresdner Bank AG
Westdeutsche Landesbank Girozentrale
Creditanstalt Bankverein
Girozentrale und Bank de österreichischen Sparkassen AG

REGION 4 - ITALY

Banca Commerciale Italiana Milan
Banco Ambrosiano S.p.A.
Banco di Roma
Credito Italiano
Istituto Bancario Italiano
Istituto Bancario San Paolo di Torino

REGION 5 - LUXEMBOURG

Banque Générale du Luxembourg S.A.
Banque International à Luxembourg S.A.
Bayerische Landesbank International S.A.
Dewaay Luxembourg S.A.
Kredietbank S.A. Luxembourgeoise
Swiss Bank Corporation (Luxembourg)

REGION 6 - NETHERLANDS

H. Albert de Bary & Co. N.V.
Algemene Bank Nederland N.V.
Amsterdam-Rotterdam Bank N.V.
Bank Mees & Hope
Barclays Kol & Co. N.V.
Centrale Rabobank Utrecht
Bank Van der Hoop, Offers N.V.
Bank Morgan Labouchere N.V.
F. van Lanschot
Nederlandsche Middenstandsbank N.V.
Nederlandse Credietbank N.V.
Pierson, Heldring & Pierson
Slavenburg, Oyens & Van Seghen N.V.

REGION 7 - SCANDINAVIA

Bank of Helsinki Ltd. (Helsingfors Aktiebank)
Bergen Bank
Christiania Bank o.g. Kredit Kasse
Den norske Creditbank
Den Danske Bank of 1871 Aktieselskab
R. Henriques jr. Bank-Aktieselskab
Kansallis-Osake-Pankki
Kjöbenhavns Handelsbank
Postipankki
Privatbanken Aktieselskab
Skandinaviska Enskilda Banken
Skopbank
Sparekassen SDS
Union Bank of Finland (Nordiska Föreningsbanken AB).

REGION 8 - SWITZERLAND

Bondpartners S.A.
Credit Suisse/Swiss Credit Bank
Swiss Bank Corporation
Union Bank of Switzerland

REGION 9 - UNITED KINGDOM

Akroyd & Smithers Ltd.
Amex Bank Ltd.
Bank of America International Ltd.
Bankers Trust International Ltd.
Bonitrade
Blyth Eastman Paine Webber Ltd.
Chase Manhattan Ltd.
Chemical Bank International Ltd.
C.I.B.C. Ltd.
Citicorp International Bank Ltd.
Continental Illinois Ltd.
Credit Suisse First Boston Ltd.
Daiwa Europe N.V.
Deltec Trading Company Ltd.
Credit Commercial de France (Securities) Ltd.
Cresvale International
Dillon, Read Overseas Corporation
Dominion Securities Ltd.
European Banking Company Ltd.
First Chicago Ltd.
Goldman Sachs International Corp.
Robert Fleming & Co.
Hambros Bank Ltd.
IBJ International Ltd.
Kidder Peabody Securities Ltd.
Kuhn, Loeb Lehman Brothers International
Loeb, Rhoades, Shearson International Ltd.
London & Continental Bankers Ltd.
Lloyds Bank International Ltd.
Manufacturers Hanover Ltd.
McLeod, Young, Weir International Ltd.
Merrill Lynch, Pierce, Fenner and Smith (Brokers & Dealers) Ltd.
Midland Doherty Ltd.
Morgan Guaranty Ltd.
Morgan Stanley International
Nesbit, Thomson Ltd.
New Japan Securities Europe Ltd.
The Nikko Securities Co. (Europe) Ltd.
Nomura Europe N.V.
Orion Bank Ltd.
Pinchin, Denny & Co.
Ross & Partners
Salomon Brothers International Ltd.
Samuel Montagu & Co. Ltd.
Scandinavian Bank Ltd.
Strauss, Turnbull & Co.
Sumitomo Finance International
Vickers, da Costa & Co. Ltd.
S. G. Warburg & Co. Ltd.
Wedd Durlacher Mordaunt and Co.
Westdeutsche Landesbank Girozentrale
White Weld Securities
Wood Gundy Ltd.
Yamaichi International (Europe) Ltd.

REGION 10 - UNITED STATES

Arnhold and S. Bleichroeder Inc.
Bear Stearns & Co.
Drexel Burnham Lambert Inc.
Kidder, Peabody & Co. Inc.
Lehman Bros. Kuhn, Loeb Inc.
Lazard Freres & Co.
Merrill Lynch, Pierce Fenner Smith Inc.
Salomon Brothers
Atlantic Capital Corporation

REGION 11 - MIDDLE EAST

The Arab Co. for Trading Securities S.A.K.
National Bank of Abu Dhabi

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Mirrors designed to make X-rays bounce

IBM SCIENTISTS at the Yorktown Heights, New York, laboratories have successfully fabricated reflecting surfaces that will work efficiently at X-ray wavelengths.

The advance holds great promise both for high resolution scanning X-ray microscopes and for substantial improvements in the quality of X-ray telescopes.

The mirror surface structure has to be totally different to that used in an ordinary light-wavelength mirror: the X-rays are extremely penetrating and would simply pass straight through. The X-ray reflector consists of many hundreds of very thin layers, alternately transparent and opaque, each pair having a thickness of half a wavelength.

Such a structure will support a standing wave pattern at the wavelength in question and the result is reflection of about 10 per cent of those rays which strike at or near the vertical, at wavelengths between 45 and 200 angstroms (soft X-rays).

This reflectivity at near normal incidence is about 1,000 times better than has been achieved with single layer coatings.

The IBM scientists believe that with this relatively high normal incidence reflectivity, it should be possible to make spherical X-ray focussing mirrors for such applications as scanning microscopes.

An instrument of this kind would be an important bridge between ordinary optical microscopes, limited to a resolution of about 2000 A and electron microscopes which, although they can get down to a few angstroms resolution, require extensive sample preparation which can considerably alter the structure of biological specimens.

A focussing X-ray mirror, along with the intense X-rays now available from synchrotrons, makes possible a scanning X-ray microscope that should be able to achieve a resolution of about 200 A in living biological matter.

All kept under control

A DISCRETE programmable logic control unit designed to meet the data-processing needs of a wide range of industry has been introduced as part of a package deal by Rigby Electronics, Windmill Works, Station Road, Swinton, Manchester (061-794 8441). With the new control, known as the RE18-32, the company is offering hardware, software and electronic design engineering to provide a combination of product and service from a single source.

The RE18-32 is claimed to be especially useful to any manufacturer whose equipment or machines work in sequential time-related actions. A 16-key keyboard with an eight-digit numerical display allows variable data entry into and inspection of up to 500 bytes of battery-backed random access memory. The system control program is written to suit a particular user's requirements and can be up to 8,000 bytes long.

The control box, measuring 200 mm by 123 mm by 73 mm, has a 33-pin fixed plug providing access to all input and output connections. It is claimed to be capable of controlling machines originally using relays or discrete electronics, and by using the Rigby package service a company can obtain computer-control updating of its existing equipment or build it into new machinery.

Britain still grappling with the robot

BY GEOFFREY CHARLISH

IN CHAMBERS dictionary of Science and Technology, the word robot is not listed. The Concise Oxford says: "Robot, n. An apparently human automaton, an intelligent but human machine."

According to the British Robot Association: "An industrial robot is a re-programmable device designed to manipulate and transport parts, tools or specialised manufacturing implements through variable programmed motions for the performance of specific manufacturing tasks."

Exhibition

Even at this relatively simple level of definition—in which the "robot" usually has no eyes, ears, mouth, nor very much adaptive brain power—UK manufacturing industry, management and labour, still seems to be having difficulty in coming to terms with the concept.

In London this week the British Robot Association (0235 85360), founded in 1977, held its first Press conference with the object of revealing the details of a study it has just conducted about robot useage and to announce an exhibition and conference in Brighton from May 19-21 at the Metropole Conference Centre.

The figures for Britain are still somewhat depressing. We are behind the U.S., Sweden and Germany and a long way behind Japan, which has installed 16 times as many as Britain — although the definition of "robot" there may not be the same as here.

However, the heartening aspect of the 371 UK installations is that they are dotted in ones and twos over perhaps 180 users. Italy, for example, has rather more installations but according to BRA they are nearly all in operation in Fiat, Alfa Romeo and Olivetti. Britain thus now has a potentially good base upon which to expand.

Per capita, with 3,500 installations, the U.S. is not doing too much better than the UK.

Removing the flash from plastic parts during manufacture of electrical components. An ASEA IRb6 robot picks up the part and presents it to a series of cutting tools.

Tom Brock, who is executive secretary of BRA, believes that "by this time next year the rate of growth in the UK will probably be greater than anywhere else, perhaps 40 to 50 per cent per annum. Arc welding and assembly will be the key growth areas."

Brock takes the view that Britain is now passing through a phase similar to that experienced by the West Germans in 1973-74 when there was a major Government-backed development programme.

Following that effort, there are now 1,133 installations in West Germany, put in by eight German suppliers and about 15 importers. BRA quotes only five makers in Britain at the moment: Unimation (Europe) (0925 618931), Hall Automation, part of GEC (Watford 35422), Workmaster (0202 745744), Martonair (01-892 4411), and Mouldmation (021-523 6669)."

But there is no doubt that a high proportion of the units in use in the UK have been imported. Which makers have supplied which user has to remain a mystery: BRA says it cannot get the data from the makers and the makers in general are not willing to name their customers. Sensitivity exists, it appears, in the areas of labour relations and in terms of not giving the game away to the competition if you are about significantly to reduce your costs and perhaps cut your prices.

Although the UK Government is helping in a number of ways, Department of Industry robotics chief Christian Adams pointed out that general advancement was "primarily the job of those who make, buy and sell robots."

Nevertheless, the DOI funding is running at about £1.3m a year and may reach as much as £2.7m a year.

Opinions varied among the assembled company as to the adequacy of these sums in relation to what the Japanese are believed to be spending. They ranged from "rather limited" to "infinitesimally small."

Among the bodies that DOI is supporting are BRA, the Production Engineering Association (PERA), the National Engineering Laboratory at East Kilbride (NEL), and via the Science Research Council, some joint research projects with industry.

In addition, the Central Office of Information (COI) is to make a film, available in the spring, which will "help to dispel some of the unjustified fears about such automation."

One form of help that the DOI is offering is an application support package in which 25 per cent of the cost of a new process will be met, to help cover tooling, adjustment of existing manufacturing processes and consultancy fees, as well as the purchase of the robot itself.

Similar levels of help will be available to makers developing a device: the Department will buy and place robots so designed, but if the end user does not like the product, the maker will have to buy it back.

Reluctance

Leasing and renting by the DOI under this scheme—the "pre-production order scheme"—is not envisaged at the moment.

A number of people at this meeting tried to account for the reluctance of UK industry to embrace the embryo robot: on balance the view seemed to be that the shop floor and union side was not to blame.

Said Tom Brock: "The main change needed is that of attitude." He went on to say that somehow, the British would have to start thinking like the Japanese.

The view was generally endorsed by Mike Skidmore, who is robotics marketing manager for Cincinnati-Milacron. He pointed out that even in the U.S. the approach was much bolder and claimed that General Motors for example, was about to order 1,000 robots "in the year of its biggest corporate loss."

In Britain he said, the reluctance was in the board room, not so much on the shop floor.

"British directors," he said, "will change their cars every year, but not their production machinery."

A business designed to crumble

WHAT on earth, one may well ask, it a "creative crumb?" According to the Bristol-based company T. Lucas, whose business it is, it is a crumb that has been conceived, designed and custom-built to provide the best possible coating not only for the familiar fish finger but an ever-widening range of fish, meat and poultry products.

A creative crumb has not been milled or ground out of stale crusts; it has not even been pulversied out of loaves fresh-baked for the purpose. It is manufactured by a fully automated 10-stage process. Lucas claims that it has devised a unique technology in which the critical mixer/extruder dough-to-crumb stage replaces the old elaborate bread-making procedure.

Thereafter the processes are broadly similar. But the new system not only shortens the production cycle; it also makes "potentially more versatile crumb," says Lucas. The much simplified extrusion process uses less labour and energy than the intricate "Japanese crumb" method used in North America.

Lucas makes crumbs in a range of six basic products, each available in a variety of sizes and colours

NEWS IN BRIEF

HANDLING

INTENDED FOR working in the processing industries, particularly food manufacture, is a range of electric fork lift trucks said to be ideal in conditions subject to corrosive attack or (as in chemical plants) by the action of acidic agents.

The Ameise TM GALVINOX model has a galvanised chassis for applications in the fishing, leather, wholesale catering, cold storage and allied industries; "hygiene standard" pallet truck Ameise TM INOX has a stainless steel chassis ensuring that the highest levels of cleanliness are maintained in food processing; meat, dairy, canning and similar industrial sectors.

Range is made by Jungheinrich, Southmoor Road, Wythenshaw, Manchester (061 998 7919).

LIGHTING

A RANGE of ceiling luminaires designed for optimum light distribution with T8 Krypton-filled fluorescent tubes has been introduced by Moorlite Electrical, Burlington Street, Ashton under Lyne, OL7 0AX (061 330 6811). The compact reflector systems are claimed to produce a controlled "batwing" distribution with a light output ratio of more than 70 per cent.

Fewer lighting points are needed because each luminaire gives improved illuminance and distribution, Moorlite claims.

FIBRE OPTICS

ENTERING THE field of fibre optic cable making is Fothergill and Harvey of Littleborough, Lancashire, which has just taken a 26 per cent interest in Focom Systems, a new Leeds-based company specialising in optical fibre production and in the design and installation of data communication systems.

A leading producer of fluorocarbon insulated high performance wires and cables for the European avionics and electronics industries, Fothergill and Harvey says Focom's strength lies in drawing fibre and producing the electronic terminals systems.

More on 0706 78831.

QUALITY CONTROL

AN ADVANCED system for monitoring and detecting particles in the production of very large-scale integrated circuits has been introduced by Micro-Image Technology, Greenhill Industrial Estate, Riddings, Derby (0773 604411). It is claimed to be a significant advance in the quality control of corrosive chemicals used in this industry.

The equipment, developed in the United States, enables particles as small as 1 micron (one-millionth of a metre) to be monitored and detected, MIT claims. The company, which produces specially formulated etchants, including hydrofluoric acid, filtered down to 0.2 microns, recognised the need for particle-count equipment that could be used in the search for the ultimate in quality control.

The system uses the established light blockage principle to count and size particles suspended in acids. The particles pass, one at a time, through an illuminated sensing zone, momentarily interrupting the light beam. The resulting pulses and pulse heights indicate the number and size of the particles.

At the heart of the corrosion-proof system, says MIT, are acid-resistant windows set in platinum-irridium shims. The company reports that it is now making full use of the new equipment to check incoming materials and to carry out three batch checks on all production runs at the beginning, midway in the process, and a final check before packing.

DATA PRINTER

DEVELOPED in this country by Walters Microsystems and available from Digital Devices of Tunbridge Wells is the Dolphin BD 136, a dot matrix printer that works at up to 240 ch/sec and has a degree of intelligence which the company claims is not normally associated with such machines.

The Dolphin has such data formatting functions as centre justification, decimal point and comma alignment, automatic underlining, expanded characters, and proportionally spaced characters.

The machine, which uses a 7X7 dot matrix with a choice of 136, 180 or 226 characters per line, also has full graphics ability, with a dot resolution of up to 60 dots/inch horizontally and 72 vertically.

BD 136 uses bi-directional logic seeking print head control to print the full 96 ASCII character set and there are a further 32 user-defined characters which can be used for engineering and scientific notation.

More on 0892 37977.

WORLD STOCK MARKETS

Dow easier at mid-session

STOCKS on Wall Street were narrowly lower by mid-session after a mixed opening. Analysts said investors remain cautious about Congressional reaction to President Reagan's budget cuts.

Yesterday, Budget Director David Stockman said budget cuts of about $50bn for 1982 are planned. But one Senator said that even with cuts of that size, the 1982 deficit would still be $100bn.

The Dow Jones Industrial Average was off 0.51 at 948.12 at 1 pm and declines led advances seven-to-five on volume of 16m shares. The NYSE All Common Index lost 16 to close at 73.82.

Analysts also said that with banks closed tomorrow and markets closed Monday, there was no reason to be aggressive.

Volume Leader Greyhound added ⅛ to 16⅛. A block of 198,600 Greyhound traded at 16⅛. Active General Motors extended its early lead, rising 1½ to 49½ after being ahead a point shortly after the opening.

Oils were mostly weaker. Active Exxon slipped ⅛ to 72⅜. Texaco ⅛ to 39¾ and Superior Oil 1 to 189¾.

Active Continental Airlines picked up ⅜ to 12⅜. Texas Air Corp. has proposed to gain control of Continental through a $13-a-share tender offer for up to 6m of its common. Texas Air was unchanged at 12⅜ on the American Exchange. Delta Air lost ⅜ to 70⅛ and Usair ⅛ to 19⅞.

Kroger reported improved fiscal fourth quarter profit and gained 1 to 21. Wallace-Murray rose 1¾ to 41½. It said it is continuing to hold talks on being acquired but did not name the suitor.

American Exchange prices declined in active trading. The index lost 1.53 to 345.90 on volume of 3.01m shares.

Oils were weak with Gulf Canada, Hudson's Bay Oil and Houston Oil all losing fractions in active trading.

Closing prices for North America were not available for this edition.

Volume leader Champion Homebuilders added ⅛ to 2¼. Active Resorts International "A" advancedw 2¼ to 26¼ after news that its Atlantic City gross win in January rebounded from December.

Jacobs Engineering gained 1⅞ to 26¾. It raised the dividend and will split three-for-two.

Canada

Markets were lower in moderate noon trading, led by sharp declines in gold shares.

The Toronto Composite Index, which rose in each of the last six sessions, fell 9.1 points to 2245.9. Declines led advances 227 to 148. The Gold Index was off 126½ points, or about 3 per cent.

Australia

A downturn in world bullion prices triggered selling which spread from Golds through Oils and Base Metals.

Calmer conditions in Poland apparently took the edge off the gold price and Australian traders were quick to take their profit in gold miners such CNG. This gave an excuse for a round of profit-taking in other groups which had gone too far, too fast, on low turnover earlier in the week.

Markets in Japan are closed for the National Foundation Day holiday.

By the close, the All-Ordinaries Index had lost 6.9 at 663.2. The Metals and Minerals fell to 608.5 from 619.1. The Oil and Gas index declined 16.5 to 904.9.

Moving against the trend were selected uraniums, tin miners and beach sands leaders.

The speculative section of the market was jolted when it learned that Ferrovanadium, a stock traded over the counter in New York, had fallen foul of the Securities Exchange Commission and had been suspended for the mandatory 10 days. It was eventually suspended by its home exchange Perth, but not before it had fallen from an overnight A$1.15 to 77 cents.

Some big block trades in stocks like Amatil and Pioneer Sugar gave market volume a boost.

In Blue Chips BHP shed 50 cents to A$13.80. Among Oils, Woodside eased 9 cents to A$2.70, Santos 40 cents to A$18.30, Strata 5 cents to A$4.30 and Hartogen 10 cents to A$9.

Conventional Oils fell back while Shales were stalled. Ampol was unchanged at A$3.60. Santos' Cooper Basin partner Crusader was 20 cents up at A$6.70, Beach eased 15 cents to A$2.35 and Western Resources 5 cents to A$1.45.

Hong Kong

Stocks closed the day lower on very thin trading, and although there was some recovery by mid-session, a further fall near the close led the Hang Seng Index to close down 18.10 to 1,604.05.

Sung Hung Kai Properties' announcement that it will offer 240m shares in its new town properties subsidiary to the market was not well received. Investors fear it will take too much cash out of the market. Its shares closed down 40 cents to HK$20.40 after trading as low as HK20.30.

Among other leaders, Jardine Matheson lost 70 cents to HK$24.50 and Hutchison Whampoa 50 cents to HK$18.70.

Swire Pracific "A" was an exception, rising 30 cents to HK$15.80, but Cheung Kong lost 25 cents to HK$38, Hongkong Electric 25 cents to HK$8.35, Hongkong Land 20 cents to HK$12.40, and Hong Kong Wharf 15 cents to HK$9.95. Hongkong Shanghai Bank was unchanged at HK$22.80.

Germany

Share prices posted broad gains in lively trading after two days steady losses.

Market sources considered the sharp uptrend surprising in view of the little change in the weak deutschemark on the Foreign Exchange and low bond prices. Brokers attributed the upswing to bargain-hunting by foreign investors.

The Commerzbank index closed at 673.1, up sharply from Tuesday's 666.8. The announcement that China had cancelled a DM1.3bn contract with a group of West German companies came after the market closed.

Prices in the domestic bond market were about one point lower than yesterday's levels, but attracted interest with average yields at 10 per cent.

The Bundesbank sold DM8.2m of paper, after sales yesterday of DM1.6m Notes offered by the Federal Government found few buyers, and D-mark Eurobonds were neglected.

Options trading centred on calls of AEG and Lufthansa preference, but volume fell as prices rose slightly.

Paris

Share prices tended mixed in a quiet market with no significant new factors to influence movements.

Saint-Gobain-Pont-A-Mousson gained FFr 1.5 to FFr 134 after reporting higher group profit for 1980. Lafarge Coppee was unchanged at FFr 237 after recommending a 13 per cent rise in 1980 dividend.

Sectors to hold steady included stores, printing and cars. Peugeot was unchanged at FFr 125 after announcing its plans to close its Talbot plant at Linwood, Scotland.

Johannesburg

Gold shares were marked down sharply at the close in thin volume trading as some quarters expect the bullion price to fall below $500 tomorrow.

Mining financials were mostly easier but Sentrust was a firm spot, up 100 cents at R9.40, while De Beers eased 10 to R9.40. Coppers were mixed and Platinums easier while industrials were quietly mixed with an easier bias.

Indices

NEW YORK —DOW JONES

	Feb. 10	Feb. 9	Feb. 6	Feb. 5	Feb. 4	Feb. 3	1980/81 High	1980/81 Low	Since C'mpil'tn High	Since C'mpil'tn Low
♦Industr'ls	946.63	947.18	952.30	946.76	941.88	941.38	1004.69 (6/1/81)	759.13 (21.4)	1051.70 (11.1.73)	41.22 (2.7.32)
H'me B'nds	65.59	65.87	63.85	65.92	65.52	65.67	76.81 (23/6)	69.96 (18/12)	—	—
Transport.	401.18	402.34	408.84	404.70	400.52	398.58	425.68 (28/11)	235.69 (27/3)	425.68 (28/11/80)	12.23 (8/7/32)
Utilities	110.81	111.87	112.20	111.29	110.81	111.21	117.81 (5/1/81)	95.04 (27/3)	165.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's†	46,620	38,380	46,820	45,320	46,520	45,950	—	—	—	—

♦Day's high 955.12 low 940.02

Ind. div. yield %	Feb. 6	Jan. 30	Jan. 23	Year ago (approx)
	5.75	5.75	5.79	6.60

STANDARD AND POORS

	Feb. 10	Feb. 9	Feb. 6	Feb. 5	Feb. 4	Feb. 3	1980/81 High	1980/81 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls	146.56	146.55	148.13	146.92	145.68	145.56	160.96 (28/11)	111.09 (27/7)	160.96 (28/11/80)	3.52 (30/6/32)
§Composite	129.24	129.27	130.60	128.66	128.59	128.48	140.52 (28/11)	98.22 (15/2/60)	140.52 (28/11/80)	4.40 (1/6/32)

	Feb. 4	Jan. 28	Jan. 21	Year ago (approx)
Ind. div. yield %	4.70	4.57	4.53	4.92
Ind. P/E Ratio	9.09	9.23	9.30	8.22
Long Gov. Bond Yield	12.32	12.11	12.13	11.88

N.Y.S.E. ALL COMMON

Feb. 10	Feb. 9	Feb. 6	Feb. 5	1980/81 High	1980/81 Low
73.98	74.05	74.85	74.31	81.02 (28/11)	55.50 (22/1/80)

Rises and Falls	Feb. 10	Feb. 9	Feb. 6
Issues Traded	1,868	1,897	1,864
Rises	644	576	922
Falls	816	927	601
Unchanged	408	394	341
New Highs	30	39	41
New Lows	12	10	4

MONTREAL

	Feb. 10	Feb. 9	Feb. 6	Feb. 5	1980/81 High	1980/81 Low
Industrials	374.19	374.08	374.18	369.24	425.60 (29/2/80)	324.81 (27/3)
Combined	355.55	355.51	355.16	350.94	379.96 (20/10)	296.90 (27/3)
TORONTO Composite	2255.0	2252.4	2248.7	2232.0	2402.2 (28/11)	1702.5 (27/3)

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Prime Computer	790,300	29¼	−4¼	Texaco	391,000	40⅞	+ ⅝
Exxon	666,300	72¾	− ⅛	Contl. Air Lines	385,500	12	+ ⅛
Sony	523,900	15½	+ ½	U.S. Air Lines	375,700	20	− ⅛
Boeing	420,600	36⅝	+ ⅝	Whirlpool	341,000	19⅞	—
IBM	392,600	63	− ⅛	Am. Tel. & Tel.	329,500	52⅞	—

	Feb. 11	Feb. 10	Feb. 9	Feb. 6	1980/81 High	1980/81 Low
AUSTRALIA All Ord. (1/1/80)	663.2	670.2	656.5	651.5	746.2 (17/11)	509.1 (5/1/80)
Metal & Minrls. (1/1/80)	608.5	619.1	607.6	602.0	818.0 (17/11)	492.5 (28/3)
AUSTRIA Credit Aktien (2/1/62)	64.01	64.37	64.27	64.52	69.40 (7/1/80)	64.27 (9/2/81)
BELGIUM Belgian SE (31/12/63)	83.21	82.72	82.92	85.59	105.75 (11/2/80)	82.42 (7/1/81)
DENMARK Copenhagen SE (1/1/73)	104	105.22	101.79	101.45	105.22 (10/2/81)	74.78 (5/3)
FRANCE CAC General (29/12/61)	106.90	107.2	107.6	107.5	129.3 (6/11)	97.1 (5/1/80)
Ind Tendance (31/12/80)	98.90	98.9	99.5	99.7	100.0 (31/12/80)	95.4 (27/1/81)
GERMANY FAZ Aktien (31/12/58)	217.35	215.96	215.88	217.52	238.89 (25/2/80)	212.73 (28/3)
Commerzbank (Dec. 1953)	666.73	666.8	666.6	671.4	749.2 (25/2/80)	666.6 (9/2/81)
HOLLAND ANP-CBS General (1970)	89.9	89.7	90.0	89.5	90.8 (9/2/81)	74.0 (27/3)
ANP-CBS Indust. (1970)	67.1	66.7	67.4	67.3	68.2 (11/1/80)	58.2 (28/3)
HONG KONG Hang Seng Bank (31/7/64)	1604.05	1622.15	1635.14	(c)	1654.57 (13/11)	738.9 (19/3)
ITALY Banca Comm. Ital (1972)	211.85	211.35	211.19	208.27	211.86 (10/2/81)	85.11 (2/1/80)
JAPAN Dow Average (16/5/49)	(c)	7261.55	7239.90	7264.11	7522.85 (2/2/81)	6475.93 (27/3)
Tokyo New SE (4/1/68)	(c)	507.35	505.96	508.34	511.34 (2/2/81)	449.01 (10/3)
NORWAY Oslo SE (1/1/72)	116.82	116.38	117.12	117.15	144.70 (14/2/80)	110.12 (28/3)
SINGAPORE Straits Times (1966)	765.79	764.36	770.94	(c)	770.94 (9/2/81)	429.75 (3/1/80)
SOUTH AFRICA Gold (1958)	—	641.7	650.1	615.9	1026.1 (22/9)	496.5 (18/3)
Industrial (1958)	—	555.8	550.2	545.6	660.5 (5/11)	466.8 (2/1/80)
SPAIN Madrid SE (30/12/80)	111.69	110.55	(c)	108.37	110.56 (10/2/81)	100.0 (30/12/80)
SWEDEN Jacobson & P. (1/1/58)	447.15	444.82	447.82	450.5	450.5 (6/2/81)	384.72 (17/1/80)
SWITZERLAND Swiss BankCpn. (31/12/58)	290.8	291.9	292.3	291.8	317.9 (11/2/80)	275.6 (28/3)
WORLD Capital Intl. (1/1/70)	—	154.4	154.2	154.9	164.8 (20/11)	128.5 (27/3)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. (c) Closed.

COMMODITIES AND AGRICULTURE

Cane sugar imports pledge

BY JOHN EDWARDS, COMMODITIES EDITOR

TATE AND LYLE have offered to retain the same level of cane sugar purchasers from developing countries, in spite of the proposed closure of the company's Liverpool refinery, it was confirmed yesterday.

The company has offered to renew all its existing contracts with African, Caribbean and Pacific countries, who supply the EEC with 1.3m tonnes of cane sugar annually under a special protocol of the Lomé Convention. Tate and Lyle, which is by far the biggest cane refiner in the Community, takes nearly 1.2m tonnes of the ACP sugar.

It was feared the closure of the Liverpool refinery would force a cutback in cane sugar imports simply through lack of available refining capacity. But Tate and Lyle says it is prepared to sign five-year contracts to buy the same quantity as previously, provided that the supplying countries take a flexible attitude about the final destination of the sugar within the Community. In other words Tate and Lyle is confident as a trader that it will be able to find a home for all the sugar, even though less may be refined in the U.K.

Some ACP countries, notably Mauritius, have already diverted some of their sugar to other countries in the Community, especially France. Other possible outlets exist in Ireland and Greece.

This assurance of supply will inevitably reduce some of political pressure against the closure of the Liverpool refinery on the grounds that it would be harmful to dependent developing countries.

Indeed Mr. ePter Walker, UK Minister of Agriculture, is understood to have put this point to a delegation of members who saw him yesterday morning to protest against the Liverpool closure.

Mr. Walker's refusal to agree to EEC Commission proposals for a cutback in beet production was attacked yesterday by Mr. Andrew Pearce, Conservative Member of the European Parliament. Bith Conservative and Labour members in the European Parliament are understood to be seeking an urgent debate on the crisis in the sugar cane industry. However it is thought unlikely that any cutback in EEC beet production, if agreed, would be made in time to avoid the closure of the Loverpool refinery.

Meanwhile UK beet growers yesterday welcomed agreement by the British Sugar Corporation to repay the levy of £6.14 a tonne on B quota sugar. This is in anticipation that the Commission will not impose B quota levy this season because of revenue being earned on exports, instead of them being subsidised as in the previous season.

Mr. David Morbey, chairman of the sugar beet committee, told the annual meeting of the National Farmers Union in London that BSC would pay the levy in full, but without interest, on March 12. This achieved the union's objective of getting this money back into the pockets of growers at the earliest possible moment.

Although the Corporation is taking a slight risk, in that the Commission may decide to retain some B quota levy after all, the company will avoid paying interest of nearly £3m and could still deduct some levy from its final payment to growers in July.

The gesture may also help improve relationships between the BSC and beet growers, who may be encouraged to increase plantings.

Yesterday the EEC Commission authorised exports of 10,200 tonnes of white sugar at its weekly selling tender. This was a considerable fall compared with last week's exports of over 80,000 tonnes. But the Commission raised the export levy from 3.619 to 6.022 European currency units in line with the rise in world market prices.

World sugar values strengthened further yesterday following reports on more buying by the Soviet Union. Traders claimed evidence was mounting that the Russian purchases may have topped 700,000 tonnes, according to Reuter.

The news brought a sharp turnround in the market which had been declining on lack of definite proof of Russian buying. The May position on the futures market jumped from a low of £276 to close at £289.25 a tonne, £3 up on the previous day. The London daily price for raw sugar was lifted by £5 to £270.

U.S. coffee sales boost urged

BOCA RATON, FLORIDA —Coffee producing nations should work toward stemming the decline in U.S. coffee consumption, according to Sr. Arturo Gomez, general manager of the National Federation of Coffee Growers of Colombia. Sr. Gomez, speaking at the National Coffee Association convention here, said producers have done very little about the decline and should not expect the U.S. coffee industry alone to carry the burden of raising consumer demand.

One reason for the drop has been a lowering of the quality of coffee offered to U.S. consumers, he said, adding that the London-based International Coffee Organisation (ICO) had no administrative structure for implementing promotional campaigns in consuming nations.

Nestlé Company Inc. vice-president, Mr. J. C. Buckley, said reduced roasting levels were partly due to shorter working time in many industries, which cut consumption in institutional and industrial markets.

Total U.S. roastings fell nearly 2 per cent in 1980 to 16.7m bags.

Reuter

EEC rules undermining British poultry industry

BY RICHARD MOONEY

MORE THAN 50 British poultry slaughterhouses may be forced to close with the loss of around 3,000 jobs if nothing is done to reform EEC hygiene regulations and if the UK Government maintains its present interpretation of the rules, MPs were warned yesterday.

A delegation comprising an unprecedented alliance of poultry producing companies, the National Union of Agricultural and Allied Works and the local authorities who have to operate the EEC regulations, lobbied MPs at the House of Commons to stress the grave situation facing the poultry industry because of alleged unfair competition from Continental imports.

Before setting off for the House Mr. Neville Wallace, director-general of the British Poultry Federation, said the threatened closures, which would be in areas of high unemployment, would be partly due to the high cost of the EEC poultry inspection system as operated in the UK.

Ineffective EEC border controls plus national subsidies paid to Continental poultry producers and Community aid for all red meat producers had placed the UK poultry industry in a situation of "slow strangulation," said Mr. Wallace. The high cost of British-style inspection threatened to deal it a sudden "karate chop."

In contrast to France, where application of the EEC directive was fairly lax and inspection costs were borne by the Government, Britain operated a very stringent and expensive system which producers had to pay for themselves. In Britain the costs ranged from 0.6p to 24p a bird, depending on which local authority did the inspecting. The Federation currently operated a temporary cost equalisation scheme but it did not plan to continue this beyond August, Mr. Wallace said. The future of the 55 plants which are net beneficiaries of the scheme could then be in jeopardy.

Mr. Roy Emerson, director of environmental health for Hartlepool District Council said the rules, as operated in Britain, were too costly and out of all proportion to their public health value. In local authorities doing this work it accounted for about one-fifth of the entire environmental health service; "A cheaper service could be provided without any increased risk to public health," he said.

The Association of District Councils broadly supported the BPF's campaign, Mr. Emerson added.

Mr. Wallace said the delegation planned to urge that poultry meat processors be put on the same footing as red meat processors by taking plans producing only for domestic consumption out of the scope of EEC legislation; that a more cost-effective and flexible inspection system be established; a temporary ban on imports of poultry meat benefiting from any element of subsidy or not conforming to British standards be imposed, and the inspection be financed by the EEC.

EEC proposal to zone milk products export

BRUSSELS—The EEC Commission has proposed the introduction of a zoning system to give it tighter control of exports of some milk and butter compounds which fall outside existing regulations, the Commission said.

The new system, which has been sent to the EEC Council of Ministers for approval, would give the Commission more selective controls in setting export subsidies for such products, and allow it to ban sales to the Soviet Union without affecting exports to other markets.

Last month the Commission suspended until February 15 pre-fixation of export subsidies on butter mix and some processed butter products, following rumours of large sales to the USSR.

The suspension effectively halted all exports of processed products like butter mix with a dairy content of between 65 per cent and 80 per cent, which usually attract full EEC subsidies.

Reuter

Rise in feedgrain prices expected

WASHINGTON — Feedgrain prices during 1980-81 are expected to average well above the previous year due to tight supplies, the U.S. Agriculture Department said here.

Stocks of U.S. feedgrains as of this October 1 are projected to drop to around 21m tonnes, nearly 60 per cent below last year and the smallest level since 1975-76. Total feedgrain usage during 1980-81 is expected to total about 230m tonnes, just 3m below the 1979-1980 record.

USDA said the 1980 soyabean crop of 1.8bn bushels was 20 per cent below a year earlier, but large carry over stocks resulted in total 1980-81 supplies of 2.18bn bushels.

USDA noted coarse grain production outside the U.S. in 1980-81 is projected to be up around 3 per cent from the 500m tonne level last year, with larger crops harvested in Canada and Western Europe and expected to be harvested in Argentina and Brazil. These crops will more than offset smaller outputs in Eastern Europe and the USSR, it said.

The department said world grain stocks this summer are estimated at only 55m tonnes, down 37 per cent from last year and the lowest level since the mid-1970s.

USDA said the current soyabean-corn (maize) price ratio in the U.S. is sharply below a year earlier, so maize acreage is likely to be larger than in 1980 in the main maize-producing States. Even if yields return to normal this year, increased maize plantings are needed to bring supplies back into better balance with demand, the USDA said.

U.S. Agriculture Secretary Mr. John Block said although there are some dry areas, this year's wheat crop is not lost.

Mr. Block told a Chicago Press conference, via telephone, there was still a pretty good chance for a good wheat crop, not only in the U.S., but worldwide.

"I am not ready to concede that we have serious problems from the drought as yet" Mr. Block added.

Mr. Block stressed that no decision has been made on what action will be taken concerning the embargo on grain sales to the Soviet Union.

Soyabean duty warning

WASHINGTON — Mr. Donald Nelson, assistant U.S. trade representative for agricultural policy, warned that the EEC may attempt to impose duties on imports of soyabeans and corn-gluten feed.

He told a conference sponsored by the Agriculture Council of America that Spain, which has an olive oil surplus, is expected to join the EEC by 1985.

One way for the EEC to reduce the olive oil surplus would be to restrict soyabean imports or place a tax or levy on various oilseed imports, Mr. Nelson warned.

Mr. Nelson said France in particular has been seeking import protection because it feels that the corn-gluten feed imports give an advantage to the Belgian and Dutch livestock industries.

Reuter

Metal markets easier

THE FALL in gold brought a generally easier trend on the London metal markets yesterday.

On the London Metal Exchange copper cash wirebars lost £10 to £767.5 a tonne, although traders noting some consumer buying interest at the lower levels. A feature of the market was that copper cathodes moved to a premium over wirebars.

However U.S. copper prices remain under pressure, with several producers cutting their domestic quotations.

Tin values lost ground too, with the cash price closing £49 down at £5,855 a tonne. The market was depressed by a decline in Penang overnight and the general decline in other metals.

One exception to the downward trend was aluminium futures, where values closed higher when some trade and speculative buying interest emerged in the afternoon.

Silver rallied strongly in late trading too, but free market platinum closed lower.

Strategic materials supply adequate, says Boeing

BY ROY HODSON

BOEING the biggest aircraft manufacturer in the western world, has told the U.S. Government that it can get all the titanium and cobalt it needs for the time being and that supplies of nearly all other critical materials are adequate.

Reporting Boeing's advice on strategic materials to the U.S. Commerce Department, Metals Daily of Washington says cobalt, chromium, graphite fibre, titanium and titanium forgings top the list of Boeing's critical needs because of import dependence for the materials.

But Boeing's present margin of comfort regarding supplies, states the company, would be upset if defence spending picked up and the C-X transport or B-1 bomber were built. The report to the Commerce Department states: "Titanium remains our number one material problem. The crisis shortage condition of 1979 and early 1980 has subsided. However, tight market conditions prevail. Until domestic U.S. production capacity increases to the level of domestic demand we will continue to be partially dependent upon foreign sources for sponge."

The western world's capacity to produce titanium will be increased overnight by some 10 per cent in two years time when the new Deeside titanium plant in North Wales starts producing. It will have a capacity of about 5,000 tonnes a year.

Stocks of primary aluminium at smelters and fabricating plants are continuing to rise according to the latest International Primary Aluminium Institute figures.

Western world stocks rose above the 2m tonnes level in December to 2,084,000 tonnes, and European stocks rose by 45,000 tonnes in a month to 669,000 tonnes.

Meanwhile in Washington the House Armed Services Committee received the General Services Administration list of strategic minerals it intends to purchase for the national defence stockpile with funds appropriated for fiscal year 1981, Reuter reported.

The list, the quantities of each commodity and the dates that the purchase tenders will be held will not be released to the public before the announcement of the individual tenders.

The GSA withheld the information to avoid influencing the market prices of the commodities before the GSA purchases.

● Six Gulf states have signed an agreement to establish a £40m aluminium rolling mill in Bahrain. The participants are Saudi Arabia, Kuwait, Oman, Bahrain, Qatar, and Iraq. Construction of the plant is expected to start at the end of the year and production is expected to begin in 1983 rising to 40,000 tonnes a year. The mill will produce aluminium sheet and strip and will use aluminium ingot from the Alba smelter in Bahrain.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lower again on the London Metal Exchange reflecting the fall in gold and American selling. Forward metal opened around £796 and fell away to £787 in the afternoon following speculative selling, U.S. selling and lack of trade support. However, the lower levels attracted good short covering which lifted three months to £792.5 by the close of the afternoon Kerb. Turnover: 24,308 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	768-.5	—15.5	767-8	—10
3 months	791-.5	—14	789.5-90	—11
Settlem't	768.5	—15.5	—	
Cathodes				
Cash	770-1	—9.5	767-9	—7.5
3 months	780-2	—15.5	778-80	—8.25
Settlem't	771	—10	—	.....
U.S. Prod	—		*85	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £772.5, 72, 68, 68.5, three months £796, 95, 94, 93, 92, 92.5, 91, 91.5. Cathodes, cash £772, 73, 72.5, 72. Kerb: Wirebars, three months £792, 93, 93.5, 94. Afternoon: Wirebars, three months £789, 88, 87, 88, 88.5, 89, 90, 89.5, 90. Cathodes, three months £778. Kerb: Wirebars, three months £792, 93, 93.5, 94, 93, 92, 93.

TIN—Gave ground following the decline on the Penang market and the fall in copper. Three months opened at £6,030 but fell back to £5,990 owing to heavy selling from one quarter before recovering marginally to close the late Kerb at £5,992.5. Turnover: 1,330 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5850-60	—62.5	5850-60	—48
3 months	5995-6000	—75	5995-6000	—48.5
Settlem't	5860	—60	—	.....
Standard				
Cash	5850-60	—62.5	5850-60	—49
3 months	5995-6000	—75	5995-6000	—49.5
Settlem't	5860-60	—60	—	.....
Straits E.	†550.51	—0.19	—	.....
New York	—			

Morning: Standard, cash £5,860, 50, 55, three months £6,010, 05, 6,000, 5,995, 6,000. Kerb: Standard, three months £5,995. Afternoon: Standard, three months £5,990, 6,000. Kerb: Standard, three months £5,990, 95.

LEAD—Easier, reflecting the fall in copper. Three months fell from £298 to £297.5 by the afternoon Rings but rallied well on short covering to close the late Kerb at £301.5. Turnover: 12,075 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	288-.5	—7.5	288.5-9.5	—7.5
3 months	297-.5	—7.5	298-.5	—7.5
S'ment	288.5	—7.5	—	.....
U.S. Spot	—	.....	*30-2	.....

Morning: Cash £289, three months £298, 99, 98.5, 99, 97. Kerb: Three months £297.5, 98, 99. Afternoon: Three months £298, 97.5, 97, 97.5, 98. Kerb: Three months £299, 300, 01, 2, 1, 1.5, 2.

ZINC—Lower, in line with other metals with forward metal easing to £323 prior to rallying to close the late Kerb at £324. Turnover: 8,000 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	311.5-2.5	—5	311-2	—4.25
3 months	323-.5	—5	322.5-3.5	—4.5
S'ment	312.5	—5.6	—	.....
Primw'ts	—	.....	*41.5	.....

Morning: Three months £327, 26, 25.5, 25, 24, 24.5, 24, 23.5, 23. Kerb: Three months £324. Afternoon: Three months £324.5, 24, 23.5, 23. Kerb: Three months £323.5, 24.

ALUMINIUM—Moved ahead on bear covering and speculative buying which lifted forward metal from £632 in early pre-market trading to a day's high of £644 before a close on the late Kerb of £643. Turnover: 8,225 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficl'l	+ or —
	£	£	£	£
Spot	621-3	—.5	627.5-8.5	+7.5
3 months	636-7	—.75	642.5-3	+7

Morning: Three months £631, 32, 33, 34, 35, 36. Kerb: Three months £638, 39, 38. Afternoon: Three months £638, 39, 40, 43, 44, 45, 44, 43.5, 43. Kerb: Three months £642.5, 43, 44, 43, 42, 41, 41.5, 42.

NICKEL—Little changed in quiet trading as light stop-loss selling depressed forward metal from £2,690 on the pre-market to around £2,685 on the late Kerb. Turnover: 300 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2705-15	—22.5	2700-10	—15
3 months	2685-90	—27.5	2680-5	—15

Morning: Three months £2,690, 85. Kerb: Three months £2,690. Afternoon: Cash £2,715, three months £2,695, 90, 85. Kerb: Three months £2,685, 90.

* Cents per pound. † MS per kilo. ‡ On previous unofficial close.

CORAL INDEX: Close 484-489 (+2)

Oil Index	Oil Futures
Refined April '81 $43.75	Refined May '81 $44.05
	Crude April '83 $42.70

SILVER

LME—Turnover 128 (125) lots of 10,000 ounces. Morning: Three months 587, 88, 87, 85, 86, 87, 86.8, 87. Kerb: Three months 586, 85, 86. Afternoon: Three months 585, 87, 86, 87, 86.5, 87. Kerb: Three months 590, 88.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	571.15p	—21.5	628.0p	+34.5
3 months	589.15p	—21.9	642.75p	+30.5
6 months	605.40p	—19.4	—	.....
12months	646.40p	—16.8	—	.....

Silver was fixed 21.5p an ounce lower for spot delivery in the London bullion market yesterday at 571.15p. U.S. equivalents of the fixing levels were: spot $13.348, down 51.7c; three-month $13.898, down 52.9c; six-month $14.433, down 48.9c; and 12-month $15.574, down 38.6c. The metal opened at 571p-580p ($13.35-$13.55) and closed at 582p-571p ($13.15-$13.35).

COCOA

Cocoa futures were barley steady as offerings from producers prompted trade house selling in thin conditions. However, physical business was scarce with little offtake found amongst consumers, although some price fixing in modest quantities was evident, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	841-842	—7.5	847-841
May	871-872	—7.5	877-870
July	897-898	—7.0	903-897
Sept	919-920	—8.0	922-919
Dec	949-950	—8.0	954-948
March	973-974	—7.0	975-972
May	993-994	—7.0	995-993

Sales: 2,922 (2,965) lots of 10 tonnes. ICCO Futures—Daily price for Feb. 10: 92.31 (92.30); five-day average 91.69 (91.48).

COFFEE

Early dealer selling prompted a slightly weaker opening but values quickly recovered in light volume following trade support around the lower levels, reports Drexel Burnham Lambert. A featureless afternoon session saw the market fluctuating in the recent range but prices tended to ease on commission house selling in nearby positions.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	986-990	—5.5	1003-985
May	1007-10	—6.0	1021-04
July	1019-20	—9.5	1036-16
Sept	1036-38	—1.5	1045-35
Nov	1042-45	+4.5	1045-43
Jan	1045-60	+1.0	—
March	1040-70	—5.0	—

Sales: 1,771 (1,354) lots of 5 tonnes. ICO Indicator prices for February 10: (U.S. cents per pound): Other Mild Arabicas 125.67 (125.17); Robustas ICA 1976 114.75 (114.50); ICA 1968 115.00 (114.75); Unwashed Arabicas unquoted. Comp. daily ICA 1958 unquoted.

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent: March 110 transhipment East Coast. U.S. Hard Winter, 13½ per cent: March 103.75, April 104.50 transhipment East Coast. English Feed, fob: March 112.50-112.75. Maize: French: Feb. 123.00 reseller transhipment East Coast. South African Yellow: March/April 87.50. Barley: English Feed, fob: Feb. 100, March 101, April 102.50, May 103.50 East Coast. Rest unquoted.

	WHEAT		BARLEY	
M'nth	Yesterd'ys close	+ or —	Yesterday close	+ or —
Mar.	107.00	+0.40	95.55	—0.10
May	110.85	+0.65	98.25	—0.85
July	114.60	+0.40	—	—
Sept.	98.90	—0.45	93.65	—0.20
Nov.	102.70	—0.45	97.45	—0.20
Jan	105.60	—0.50	101.40	—0.05

Business done: March 107.10-106.50, May 11.00-110.45, July 114.80-114.35, Sept. 99.20-98.90, Nov. 103.00-102.70, Jan. 106.60-106.60. Sales: 346 lots of 100 tonnes. Barley: March 95.65-95.45, May 98.30-98.15, July no trade, Sept. 93.85-93.65, Nov. no trade, Jan. 101.40-101.40. Sales: 159 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: E. Midlands 94.10, N. East 93.80, Scotland 94.40.

The UK Monetary Coefficient for the week beginning Monday, February 16, is expected to remain unchanged.

RUBBER

The London physical market opened easier, with good interest throughout the day, closing on an uncertain note. Lewis and Peat reported an fob February price for No. 1 RSS in Kuala Lumpur of 301.75 (303.5) cents a kg and SMR 20 at 259 (255) cents.

No. 1 R.S.S.	Yest'rd'ys close	Previous close	Business Done
Mar.	56.90-57.00	57.50-58.00	57.00
Apr.	57.90-58.50	58.40-58.50	58.00
Apr-Jne	58.90-59.00	59.30-59.50	59.60-58.80
Jly-Sept	62.10-62.20	62.70-62.80	62.70-61.90
Oct-Dec	65.10-65.20	65.70-65.20	65.60-65.80
Jan-Mar	68.10-68.20	68.70-68.80	68.80-68.30
Apl-Jne	71.10-71.20	71.70-71.80	—
Jly-Sept	74.10-74.20	74.60-74.80	—
Oct-Dec	77.20-77.30	77.70-77.90	—

Sales: 279 (165) at 15 tonnes and 52 (4) at 5 tonnes. Physical closing prices (buyer) were: Spot 56.00p (57.00p), March 60.50p (61.00p), April 61.00p (61.50p).

SOYABEAN MEAL

The London market opened 50p higher in quiet trading conditions, reports T. G. Roddick. Prices firmed later in the day on technical and commission house buying closing with gains of £1.50.

	Yest'rd'ys Close	+ or —	Business Done
	£ per tonne		
February	118.00-24.0	—1.00	120.60
April	122.20-22.5	+1.50	122.80-21.00
June	125.10-25.4	+1.35	125.80-24.50
August	127.60-28.0	+1.70	
October	128.00-28.5	+1.05	128.10-27.50
December	128.50-31.5	+0.95	129.00
February	129.00-34.0	+0.50	—

Sales: 76 (121) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £270.00 (£265.00) tonne cif for Feb.-March shipments. White sugar daily price was £300.00 (£298.00).

Reports of further Soviet purchases lifted prices and during the morning gains of some £13 from overnight levels were recorded. Later, however, heavier offerings developed at the highs and losses of some £8 occurred, reports C. Czarnikow.

No. 4 Contract	Yesterd'ys Close	Previous close	Business Done
	£ per tonne		
Mar.	275.75-76.50	272.55-75.00	281.00-70.00
May	282.00-81.50	278.00-79.50	290.00-78.00
Aug	277.00-78.00	276.45-76.50	287.00-74.00
Oct	269.50-71.50	270.00-70.50	278.00-69.50
Jan	255.00-61.00	248.00-50.00	254.00
March	246.00-51.00	247.00-48.00	256.00-48.00
May	249.00-50.50	246.00-49.00	250.00

Sales: 9,323 (8,875) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £353.50 (£350.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for February 10: Daily price 25.18 (25.13); 15-day average 25.26 (25.31).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business, sales). New Zealand cents per kilo. March 347, 350, 349-347, 8; May 350, 353, nil, nil; Aug. 367, 368, 369, 1; Oct. 372, 377, nil, nil; Dec. 376, 379, 378, 1; Jan. 379, 382, 381-380, 8; March 382, 385, 382, 2; May 385, 388, 388-385, 3; Aug. 388, 393, 398, 1. Sales: 24.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per kilo. March 482.5, 483.5, 483.0-480.0, 99; May 489.7, 491.0, 490.0-487.0, 11; July 503.7, 504.0, 504.5-500.0, 243; Oct. 498.0, 500.0, 500.0-497.3, 20; Dec. 503.5, 504.0, 504.0-501.0, 32; March 509.5, 510.0, 509.0-508.2, 13; May 515.0, 516.0, 515.0-515.0, 3; July 520.0, 525.0, 519.0-519.0, 1. Sales 522.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 135 tonnes, bringing the total for the week so far to 364 tonnes. Relatively slow trading persisted, but scattered purchases were made in North and South American growth. Minor support in African qualities was mentioned.

POTATOES

LONDON POTATO FUTURES—Feb. 822u:7151 P-ruary ETA SH CMF SHRDL '81 position closed quietly trading at £42, with notice of 5 tenders issued. Other positions remained quietly steady in feature less trade. Feb. '82 position opens tomorrow, reports Coley and Harper. Closing prices: Feb. expired (42.00 one price): April 56.90 +30 (high 57.00, low 56.70); Nov. 55.00 +60 (55.00 one price). Turnover: 63 (125) lots of 40 tonnes.

★

GRIMSBY FISH — Supply: poor, demand: good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.60-£6.40, codlings £2.00-£6.00; Large haddock £6.00-£8.20, medium £5.60-£6.20, small £2.80-£3.60; Best small plaice £3.40-£4.40; Skinned dogfish (medium) £9.00-£10.50; Saithe £2.30-£3.00.

PRICE CHANGES

	Feb. 11 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1450/1480	....	$1445/475
Copper			
Cash w'bar	£767.5	—10	£784.5
3 mths	£789.75	—11	£807.25
Cash Cathode	£768	—7.5	£762.5
3 mths	£779	—8.25	£786.5
Gold troy oz	$500.5	—14	$569.5
Lead Cash	£289	—7.5	£291.75
3 mths	£298.25	—7.5	£303.25
Nickel	£3,156	....	£3,226.57
Freemkt	280/295c	....	290/305c
Platin'mtr'y oz	£202	....	£202
Freemkt	£208.75	—8.55	£227.6
Quicksilvert	$385/395	....	$360/370
Silver troy oz	571.15p	—21.50	626.95p
3 mths	611.05p	—21.90	648.45p
Tin Cash	£5,855	—49	£5,955
3 mths	£5,997.5	—49.5	£6,110
Tungsten 22.04lb	$144.72	....	$140.56
Wolfrm 22.04 lbs	$148/151	....	$146/148
Zinc Cash	£311.5	—4.25	£332
3 mths	£323	—4.5	£344
Producers	$825		$823
Oils			
Coconut (Phil)	$600r	....	$605
Groundnut	‡	....	‡
Linseed Crude	£400	....	£450
Palm Malayan	$620y	+10	$620
Seeds			
Copra Philip	$405	....	$410
Soyabean (U.S.)	$305	+7	$340
Grains			
Barley Futures	£99.25	—0.05	£98.26
Maize			
French	£125	....	£121
Wheat			
No 1 Red Spg.	‡	....	‡
No2 HardWint	£10.75w	—0.25	£105
Eng. Millingt	‡	....	‡
Other commodities			
Cocoa ship't	£927	—8	£948
Future May	£871.5	—7.50	£886.5
CoffeeF t'May	£1008.5	—6	£1057.5
Cotton A.Index	95.40r	....	100.35c
Rubber (kilo)	56.00p	—1	57p
Sugar (Raw)	£270	+5	£282
Woolt'ps 64s kl.	309p kilo	....	298p kilo

† Unquoted. w March. x March-April. v Feb.-March. y April. z Indicator. § Buyer. ‡ Per 75 lb flask. * Nominal.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 69.0 to 72.0; English hindquarters 80.0 to 84.0, forequarters 56.0 to 59.0; Eire hindquarters 79.0 to 81.2, forequarters 54.0 to 57.0. Veal: Dutch hinds and ends 104.0 to 109.0. Lamb: English small 66.0 to 76.0, medium 70.0 to 74.0; Imported frozen: New Zealand PL 59.5 to 60.0. Pork: English, under 100 lb 41.7 to 48.7, 100-120 lb 41.7 to 47.2, 120-160 lb 39.7 to 44.2.

MEAT COMMISSION—Average fatstock prices at representative markets on February 11. GB cattle 84.87p per kg lw (+0.63). UK sheep 164.31p per kg est dcw (+14.89). GB pigs 67.52p per kg lw (+1.28).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Jaffa: Shamoutis 60/189 4.20-5.05; Spania: Navels 48/54/60 3.60, 70 3.40, 80/90/100/112/135/150 3.20; Moroccan: Navels 56/125 3.40-3.80; Cyprus: Shamoutis 15 kg 42/112 3.00; Egyptian: 72/125 2.50. Sours—Seville: 4.50; Italian: 35 lb 3.80. Lemons—Spania: Trays 25/54 2.20-2.40; Cyprus: 10 kg 4.00-4.50; Greek: 2.40; Italian: 100/120 3.50-3.75; S. African: 80/100 6.50-7.00; Californian: 95/140 6.80-7.20; Jaffa: 105/125 6.00-6.20. Grapefruit—Cyprus: 20 kg 40/84 3.20-3.80; Jaffa: 20 kg 36 4.45, 40 4.50, 48 4.65, 56 4.30, 64 4.05, 75 3.85; Egyptian: 30/100 2.50. Satsumas—Spania: 90/105/126 3.00, 144/154 2.80, 168 2.60. Wilkings—Jaffa: 22 lb 80/90 4.20. Apples—French: Starkcrimson 40 lb 4.80-5.50, Golden Delicious 40 lb 125/175 4.20-5.00, Granny Smith 40 lb 4.80-5.80, 20 lb 72 3.00, 84 2.40; Italian: 40 lb Romes 60/70 4.20.

AMERICAN MARKETS

NEW YORK, February 11.

PRECIOUS METALS were subject to further liquidation, as was copper, on reports of additional easing of the situation in Poland. Sugar finished with a major rally as reports of Soviet and Mexican purchases were being confirmed. Cotton encountered short covering by commission houses and finished sharply higher. Cocoa continued to drift lower. Coffee declined on profit taking and commission house liquidation. The livestock complex sold off heavily as the disruption in marketing is beginnig to correct itself. Grains and soyabeans advanced moderately on light commercial buying, reported Heinold.

Copper—Feb. 80.50 (80.95), March 81.10-81.25 (81.65), April 82.50, May 83.70-83.85, July 86.30, Sept. 89.15, Dec. 92.70, Jan. 93.45, March 95.55, May 97.30, July 99.05, Sept. 100.80, Dec. 103.45.

Potatoes (round whites) — March 136.5 (139.0), April 165.3-165.9 (168.3), Nov. 88.4.

Sugar—No. 11: March 27.70-27.90 (26.54), May 28.35-28.44 (27.22), July 28.40-28.45, Sept. 17.45, Oct. 27.05-27.20, Jan. 25.04, March 24.98, May 24.75-24.80, July —. Sales: 11,350.

Tin—637.0-642.0 (643.0-650.0).

CHICAGO, February 11.

Lard—Chicago loose 18.75 (same).

Live Cattle—Feb. 63.35-63.25 (63.72), April 66.90-66.95 (67.90), June 69.90-69.80, Aug. 70.20-70.15, Oct. 68.60-68.55, Dec. 69.80-69.70, Feb. 70.90.

Live Hogs—Feb. 45.50-45.40 (45.62), April 48.40-48.30 (48.85), June 53.70-53.65, July 54.95-54.90, Aug. 53.65, Oct. 52.75, Dec. 55.95, Feb. 58.25, April 58.50.

‡‡Maize—March 362¾-363½ (359¾), May 373¼-373¾ (370¼), July 380¼-381, Sept. 377, Dec. 378¼-378¾, March 388½.

...Pork Bellies — Feb. 56.90 (57.42), March 57.42-57.60 (58.02), May 59.85-60.00, July 61.90-61.60, Aug. 61.25, Feb. 69.00.

Silver—Feb. 1310.0 (1360.0), March 1330.5 (1370.5), April 1345.0, June 1382.0, Aug. 1419.0, Oct. 1456.0, Dec. 1493.0, Feb. 1530.0, April 1567.0, June 1604.0, Aug. 1641.0, Oct. 1678.0, April 1789.0, June 1826.0, Aug. 1863.0.

†Soyabeans—March 752-750 (746), May 776-777 (772½), July 801½-800, Aug. 806-807, Sept. 812½, Nov. 826-826½, Jan. 844, March 864.

‖Soyabean Meal—March 215.7-215.3 (215.5), May 224.7-224.5 (224.7), July 232.0-232.2, Aug. 234.5, Sept. 237.0-237.5, Oct. 237.0-236.0, Dec. 241.0, Jan. 242.5, March —, May —.

Soyabean Oil — March 23.70-23.68 (23.58), May 24.51-24.52 (24.42), July 25.35-25.40, Aug. 25.75, Sept. 26.00-26.10, Oct. 26.25, Dec. 26.85, Jan. 26.95-27.10, March 27.35-27.45, May —.

†Wheat—March 458½-457 (457), May 467-468½ (465½), July 463½-463, Sept. 476-476½, Dec. 499, March 516½.

WINNIPEG, February 11. §Barley—March 153.10 (153.00), May 155.00 (same), July 154.50, Oct. 155.10, Dec. 154.10.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § SCan. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen. †† $ per metric ton.

Tuesday's closing prices

††Cocoa—March 1905 (1918), May 1979 (1987), July 2049, Sept. 2103, Dec. 2178, March 2248, May —, July —. Sales: 1,603.

Coffee—"C" Contract: March 121.00 (120.71), May 125.75-125.90 (125.05), July 127.80-127.85, Sept. 130.50-130.75, Dec. 130.75, March 127.50-128.50, May 127.00-128.00, July 126.00-129.50. Sales: 945.

Cotton—No. 2: March 86.20-86.50 (87.65), May 86.60-86.80 (87.83), July 87.00-87.20, Oct. 84.15-84.70, Dec. 81.61-81.70, March 82.50-83.00, May 83.25-83.75, July 83.75-84.25. Sales: 9,500.

*Gold—Feb. 508.0 (518.7), March 512.0 (521.7), April 517.0-519.0, June 530.5-532.0, Aug. 543.0-544.0, Oct. 558.0, Dec. 570.5, Feb. 583.7, April 596.9, June 610.1, Aug. 623.4, Oct. 636.7, Dec. 650.1. Sales: 34,000.

Orange Juice—March 136.25 (134.65), May 141.00-141.80 (138.80), July 144.25-144.80, Sept. 145.50, Nov. 146.25, Jan. 145.25, March 146.75-147.25, May 148.25-149.00, July 149.75-150.50. Sales: 2,000.

*Platinum—Feb. 488.0 (515.0), March 492.0 (512.0), April 496.0-500.0, July —, Oct. 541.5, Jan. 562.0, April 584.0. Sales: 2,154.

¶Silver—Feb. 1350.0 (1408.0), March 1350.0-1365.0 (1418.0), April 1380.0, May 1395.0-1402.0, July 1439.5, Sept. 1476.5, Dec. 1537.0, Jan. 1556.5, March 1595.0, May 1633.5, July 1672.0, Sept. 1710.5, Dec. 1767.0. Sales: 4,000. Handy and Harman bullion spot 1385.0 (1405.0).

CHICAGO, February 10.

Chicago Imm Gold—Feb. — (500.0), March 511.0-512.0 (520.7), April 517.9, June 531.0-530.0, July 537.2, Sept. 549.1-548.5, Oct. 556.6, Dec. 569.5, Jan. 576.0, March 589.0.

WINNIPEG, February 10. §Barley—March 153.00 (152.20), May 155.00 (153.20), July 154.60, Oct. 155.10, Dec. 153.90.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 273.35 (271.15).

EUROPEAN MARKETS

ROTTERDAM, Feb. 11.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Feb. $224, March $224, April $227, May $227. U.S. No. 2 Red Winter March $215, April $218, May $223. U.S. No. 2 Northern Spring, 14 per cent, March $237, May $218, June/July $217.50, Aug. $218.50.

Maize—Spot $168, afloat $181, Feb. $161, March $164, April/June $173, July/Sept. $176, Oct./Dec. $177.50, Jan./March $188.

Soyabeans—U.S. No. 2 Yellow Gulfports afloat $298, Feb. $299.50, March $302.75, April $311.75 traded/sellers, May $318, June $320.75, July $323.75, Aug. $327, Sept. $328.75, Oct. $331.25, Nov. $331.75, Dec. $338 option. Argentine/Paraguay/Gulf/Brazil May $314, June $317, July $318 sellers.

Soyameal—44 per cent protein, U.S. afloat $262.50, Feb. $263, March $269, April $275, April/Sept. $289, Nov./March $303. Brazil Pellets afloat $286, Feb. $288, March $289, April/May $291.50, April/June $294.50, April/Sept. $298.

PARIS, Feb. 11.

Cocoa—(FFr per 100 kg): March 948-967, May 983-990, July 1,005, Sept. 1,057-1,060, Dec. 1,080-1,090, March 1,100-1,124, May 1,120-1,140. Sales at call: 4.

Sugar—(FFr per tonne): March 3,475-3,490, May 3,427-3,430, July 3,390-3,430, Aug. 3,380-3,400, Oct. 3,255-3,320, Nov. unquoted, Dec. 3,050-3,150, March 3,000-3,100. Sales at call: 5.

INDICES

FINANCIAL TIMES

Feb. 10	Feb. 9	Month ago	Year ago
253.79	253.96	260.65	314.49

(Base: July 1, 1952=100).

MOODY'S

Feb. 10	Feb. 9	Month ago	Year ago
1165.3	1169.0	1206.9	1487.1

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 10	Feb. 9	Month ago	Year ago
Spot	422.36	419.61	440.38	466.65
Fut'rs	437.22	436.47	464.34	470.16

(Average 1924-25-26=100)

REUTERS

Feb. 11	Feb. 10	M'nth ago	Year ago
1691.7	1700.6	1713.2	1852.3

(Base: September 18, 1931=100)

Equity leaders reverse early fall despite tendency to reserve funds for British Aerospace—Short Gilts good

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Jan. 26	Feb. 5	Feb. 6	Feb. 16
Feb. 9	Feb. 26	Feb. 27	Mar. 9
Mar. 2	Mar. 12	Mar. 13	Mar. 23

* "New time" dealings may take place from 9 am two business days earlier.

The strong possibility that investment funds intended for equities were being reserved for tomorrow's British Aerospace flotation affected interest in London equity markets yesterday. Thoughts of a worsening in the generally unsettled UK labour scene as the miners prepare to fight to prevent further pit closures also contributed to an early markdown in leading shares, but a recovery soon followed in the virtual absence of sellers.

British Funds, meanwhile, were quietly digesting news of the January banking statistics and the latest sharp rise in Central Government borrowing. However, the general view that the trading session would prove to be uneventful was soon disproved. Shorter maturities began to advance on a good demand, believed to be based on Building Society funds drawn in the wake of a fresh downturn in money market rates.

Switching operations were another influence in this area of the market and quotations progressed throughout to close at the day's best with gains extending to ½. Medium and longer-dated stocks, although generally ¼ to ½ better, tended to be subdued ahead of first-time dealings today in the new £20-paid short-medium tap stock, Treasury 12 per cent 1986, which is expected to open at a slight discount to par.

Continuing hopes of a reduction in corporate sector tax in the Budget helped to underpin the equity sections where leading industrials regained early losses to close marginally higher on balance. Speculative interest in Plantations was aroused by a possible Harrisons and Crosfield bid for the outstanding equity of London Sumatra, while other situation stocks remained active. The FT 30-share index measured the equity market's changing mood with a fall of 3.0 at 11.00 am but a final net rise of 0.8 at 486.3.

Demand for Traded options picked up slightly and 825 contracts were completed. Electricals came in for useful support and GEC and Racal attracted 151 and 124 trades respectively, while Imps recorded 101 awaiting today's annual results.

Oil and Gas Production staged a successful market debut, the fully paid shares opening at 44p and touching 45p before closing at 43p which compares with the offer price of 42p; the partly-paid shares opened at 7p and closed at 8½p.

Banks up again

Still reflecting a favourable brokers' circulars, the major clearing banks took the previous day's strong recovery a stage further. Barclays rose 5 for a two-day gain of 23 to 405p, while Lloyds added 3 more to 335p; the latter's preliminary results are due tomorrow week. Elsewhere, investment buying pushed Hambros up 15 to 645p and Manson Finance Trust hardened a penny to 74p ahead of Monday's interim figures. Guinness Peat eased 4 more to 109p on the disappointing first-half profits, while Charterhouse dipped 3 and Wintrust 2, both to 85p.

The undertone in Buildings remained firm and the leaders usually closed with modest improvements. Elsewhere, Y. J. Lovell firmed 8 to 218p on the chairman's cautiously optimistic annual review, but Crouch Group shed 16 for a two-day fall of 26 to 138p on the disappointing interim results. Demand ahead of preliminary results due February 19 lifted William Whittingham 6 to 128p, while M. J. Gleeson added 3 to 74p. Ibstock Johnsen gained 2 more, to 65p, while, in Timbers, Phoenix touched 102p before closing a couple of pence dearer at 100p. Montague L. Meyer, however, shed 4 to 79p on profit-taking.

ICI slipped to 290p before closing a net 2 off at 292p, but Fisons improved 5 to 118p. International Paint put on 7 to 95p on suggestions that Courtaulds might make an offer for the outstanding shares.

Austin Reed firm again

Stores closed with a slightly firmer bias in quiet trading, British Home rising 3 for a two-day gain of 7 at 156p. Secondary issues were mixed. A late flurry of speculative buying lifted Austin Reed "A" 6 to 88p, while Cornell Dresses and Courts "A" rose 3 apiece to 83p and 68p respectively. Martin Ford dipped to 21p in immediate reaction to the slashed full-year profits and dividend, but rallied to the overnight level of 24p on the confident tone of the accompanying statement.

Thorn EMI became a volatile market in Electricals, easing to 285p before encountering late support to close a net 6 up at 294p. GEC hardened a couple of pence to 635p but Racal softened that much, to 335p. Elsewhere, First Castle Securities revived with a rise of 6 to 99p. Bowthorpe firmed 5 to 151p on speculative support but Muirhead shed 4 to 104p in the absence of bid developments. Wholesale Fittings declined 8 to 212p and Electronic Machine gave up 4 to 40p.

Westland stood out in Engineerings with a rise of 8 to 127p, after 130p, in response to the chairman's encouraging statement at the AGM. Renewed investment demand in a market none too well supplied with stock left Haden Carrier 6 better at 210p, while Spear and Jackson were also favoured, achieving a similar rise at 88p. Aurora hardened 2 to 22p as did James Austin, to 52p. By way of contrast, Press Tools were marked down 4 to 28p following the reduced interim dividend, and profits and the chairman's gloomy remarks about second-half prospects. Moss held firm at 92p; the price in yesterday's issue was incorrect. John Brown, 2 higher at 76½p, continued firmly among the leaders.

Leading Foods attracted a reasonable business, but closed a touch off in places. Associated Dairies and J. Sainsbury both lost a couple of pence, to 180p and 368p respectively. Elsewhere, Sidney C. Banks added 2 to 94p in front of today's interim results, while Avana rose 6 to 211p.

Hotels had two contrasting movements in Seaview Hotels and Prince of Wales; the former gained 23 to 178p reflecting Far-Eastern influences, but the latter shed 5 to 80p, after 78p, as bid hopes faded.

Securicor firm

Secondary issues provided the main points in miscellaneous industrials. Buying ahead of the preliminary results due next Wednesday lifted Securicor 9 to 181p and the A N/V 6 to 178p, while Security Services put on 6 to 178p. E. J. Riley added 4 to 53p on Press comment, while G. W. Sparrow improved 3 to 73p for a similar reason. Foseco Minsep revived with a gain of 6 at 170p and Chubb added 2 afresh to 92p on continuing bid hopes. Wood Hall Trust put on 6 to 110p, while Crest Nicholson firmed 3 more to 134p on further consideration of the results. A particularly firm market of late on takeover talk, Barget eased to 175p before closing unaltered at 180p following news of the placing of ½m new ordinary shares, at 160p per share, to reduce the group's borrowings. Erskine House rallied 5 to 35p and Pritchard Services put on 4 to 132p. European Ferries, 162p, lost 6 on profit-taking after the previous day's rise of 7 which followed news of the Spanish golf complex acquisition. Of the leaders, Beecham rose 4 to 182p and BOC International edged forward a penny to 118p; the latter's firstquarter figures are due next Wednesday.

Favourable Press comment stimulated interest in Intervision which put on 5 to 36p. Among other Leisure issues, Boosey and Hawkes picked up 6 to 131p in a thin market.

Nervous selling in front of today's interim statement clipped 8 from Dowty, 193p. Other Motor Components hovered around the overnight levels, but another reasonable trade was transacted in Dunlop, 64p.

Buyers showed interest in John Waddington which featured otherwise idle Printing issues with a gain of 10 to 94p.

Properties drifted easier as hopes of an early cut in Minimum Lending Rate diminished, MEPC losing a couple of pence to 235p and Stock Conversion 7 to 340p. Peachey lacked support and shed 4 to 145p, while Samuel gave up 2 to 126p. Rosehaugh, a particularly firm market of late, relinquished 6 to 241p. A couple of firm spots emerged in Laganvale Estates, 3½ better at 35p on acquisition news, and Five Oaks Investment, up 4 to 23½p, the latter in a restricted market.

Oils quietly dull

Leading Oils again trended easier in quiet trading, Shell losing 6 more to 418p and British Petroleum a couple of pence to 418p. Sporadic selling clipped 6 from Tricentrol, 314p, and 4 from Burmah, 183p. Transatlantic issues made fresh progress, Double Eagle jumping 35 to 245p following the annual report and the associated Warrior gaining 40 to 260p.

Among Overseas Traders, Thomas Borthwick weakened 3 more to 26p. In contrast, Warren improved 12 to 219p reflecting the buoyant Rubber sector.

Reardon Smith continued to make good progress following a broker's circular, the Ordinary jumping 20 to 168p with the A 18 up at 142p. Hopes of a higher offer left Stag Line 12 better at 432p.

Textiles closed firmer, where altered. Sidlaw added 2 more to 120p, while revived speculative support lifted Lister 5 to 40p. Textured Jersey, 75p, and Youghal, 11p, both hardened 2, while Dawson International closed 3 to the good at 145p. David Dixon picked up a few pence to 96p on the announcement that Escal (Commodities) holds a 5.9 per cent stake.

Imperial eased the turn to 79p ahead of today's preliminary statement.

The announcement from Harrisons and Crosfield that it was considering launching an offer for the outstanding equity of London Sumatra lifted the latter to 415p before a close of 380p, up 37 on the day; H and C shed 38 to 762p. Hopes of further rationalisation within the sector prompted useful support across the board. Sogomana, 340p, and Kuala Selangor, 370p, both rose around 15, while Holyrood Rubber hardened a point to £28. Among Teas, Lunuva firmed 15 to 375p.

Golds under pressure

South African Gold shares came under further pressure as the bullion price fell $14 more to $500.50.

Overnight American selling followed by Johannesburg and London offerings saw share prices fall sharply at the outset and remain under pressure throughout the morning.

Afternoon trading brought in light "cheap" buying from the U.S. but the market remained nervous and closed showing substantial losses. The Gold Mines index lost 19.9 to 314.6.

Among the heavyweights, Hartebeest were heavily sold and dropped £3¼ to £25, while "Amgold" fell £2½ to £38¼, Western Holdings £2½ to £29½ and West Driefontein £1⅝ to £29¼. In the marginals, Durban Deep gave up 73 to 857p and Marievale 15 to 167p.

The London issues gave ground in the face of weak precious and base-metal prices. Gold Fields were particularly affected, falling 8 more to 425p.

The weakness in Golds encouraged persistent selling of Platinums where Impala and Rustenburg fell around 15 apiece, to 330p and 236p respectively, and Lydenburg 6 to 138p.

A sharp decline in overnight domestic markets, prompted by the suspension of trading in Meekatharra and Ferrovanadium, coupled with lower metal prices left Australians under pressure throughout the day.

In the leaders, Western Mining fell 11 to 239p, Pancontinental 15 to 510p, North Broken Hill 10 to 152p and MIM Holdings 7 to 198p. The disappointing results encouraged persistent selling of Bougainville, 5 down at a 1980/81 low of 78p.

In the speculatives, Metals and Energy Minerals jumped 5½ to 21½p; Chequepoint Securities has increased its stake in the company to 14.9 per cent.

FINANCIAL TIMES STOCK INDICES

	Feb. 11	Feb. 10	Feb. 9	Feb. 6	Feb. 5	Feb. 4	A year ago
Government Secs.	69.10	69.06	69.17	69.30	69.32	69.47	67.08
Fixed Interest	70.44	70.41	70.66	71.13	71.12	70.88	67.40
Industrial Ord.	486.3	485.5	480.9	480.5	472.0	478.9	478.8
Gold Mines	314.6	334.5	340.2	325.3	307.6	303.5	383.8
Ord. Div. Yield	7.38	7.39	7.44	7.44	7.56	7.48	6.92
Earnings, Yld. % (full)	16.49	16.52	16.53	16.63	16.9	16.66	17.88
P/E Ratio (net) (*)	7.41	7.40	7.35	7.35	7.23	7.34	7.18
Total Bargains	21,735	23,028	25,141	22,938	21,456	22,072	26,561
Equity turnover £m.	—	126.87	118.29	131.38	121.29	127.48	184.04
Equity bargains total	—	18,194	17,011	18,558	16,886	16,502	19,198

10 am 484.9. 11 am 482.5. Noon 484.2. 1 pm 484.2.
2 pm 484.3. 3 pm 485.1.
Latest Index 01-246 8026.
*Nil=6.84.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980/81 High	1980/81 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	78.54 (21/7/80)	63.85 (7/5/80)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7/80)	64.70 (10/5/80)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	515.9 (21/11/80)	406.9 (3/1/80)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	558.9 (22/9/80)	265.5 (18/5/80)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 11	Feb. 10
—Daily		
Gilt Edged	107.9	143.6
Industrials	102.5	120.9
Speculative	35.0	47.8
Totals	68.5	85.2
5-day Avrge.		
Gilt Edged	131.0	129.5
Industrials	104.2	105.0
Speculative	40.2	39.1
Totals	71.9	73.3

NEW HIGHS AND LOWS FOR 1980/81

The following shares quoted in the Share Information service yesterday attained new Highs and Lows for 1980-81.

NEW HIGHS (64)

BRITISH FUNDS (10)
Exchqr. 8¼pc 1981 — Exchqr. 9¼pc 1982
Exchqr. 3pc 1981 — Exchqr. 8¼pc 1983
Treas. 8¼pc '80-82 — Exchqr. 3pc 1983
Treas. 3pc 1982 — Treas. 3pc 1985
Treas. 8¼pc 1982 — Do. A

AMERICANS (1)
Gen. Electric

BUILDINGS (7)
Aberdeen Constr. — Jarvis (J.)
Blockleys — Lovell (Y. J.)
Costain Defd. — Tunnel B
Gleeson (M. J.)

CHEMICALS (1)
Int. Paint

STORES (2)
Menzies (J.) — Sumrie

ELECTRICALS (2)
First Castle — Lec Refrigeration

ENGINEERING (2)
Haden Carrier — Staveley Inds.

FOODS (2)
Belam — Hazlewood

INDUSTRIALS (15)
A.A.H. — Scapa Group
Anglo-Am. Asphalt — Securicor
Beecham — Do. A
Crest Nicholson — Security Services
Evode — Do A
Macarthys Pharm. — Trafalgar House
Pritchard Services — Ward (T. W.)
Russell (A.)

LEISURE (1)
Intervision

MOTORS (1)
Kwik-Fit

PAPER (4)
Brunning — Chapman (Balham)
Do. Rest'd Vtg. — Saatchi & Saatchi

PROPERTY (3)
Kent (M. P.) — Warner Estate
Phoenix Mining & Fin

SHIPPING (2)
Reardon Smith — Reardon Smith A

TEXTILES (3)
Corah — Textured Jersey
Dawson Int.

TRUSTS (2)
Inv. in Success — Stockholders Inv.

OIL & GAS (1)
ORE

OVERSEAS TRADERS (4)
Paterson Zochonis — Nesco Inv.
Do. A N-V — Warren Plantations

RUBBERS (1)
Malakoff

NEW LOWS (12)

BEERS (1)
Tomatin

STORES (1)
Goodman Brothers

ENGINEERING (1)
Renold

INDUSTRIALS (6)
Amber Ind. — Manch. Ship Canal
Bodycote — Nell & Spencer
Dyson (J. & J.) — Sylcone

MOTORS (1)
Adams & Gibbon

TEXTILES (1)
Scott & Robertson

MINES (2)
Coronation — Bougainville

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	67	1	38
Corpns., Dom. and Foreign Bonds	3	3	59
Industrials	261	196	928
Financial and Prop.	89	65	328
Oils	9	36	25
Plantations	7	1	15
Mines	13	84	38
Others	38	55	60
Totals	487	473	1,487

LEADERS AND LAGGARDS

Percentage changes since December 31, 1980, based on Tuesday, February 10, 1981.

Contracting, Construction	+13.06	Mechanical Engineering	+ 1.37
Insurance (Life)	+12.13	Metals and Metal Forming	+ 1.30
Tobaccos	+11.41	Overseas Traders	+ 1.30
Hire Purchase	+10.71	All-Share Index	+ 0.93
Building Materials	+ 9.09	500-Share Index	+ 0.76
Property	+ 7.56	Brewers and Distillers	+ 0.69
Shipping and Transport	+ 5.78	Engineering Contractors	+ 0.13
Textiles	+ 5.18	Merchant Banks	+ 0.09
Discount Houses	+ 5.16	Health and Household Produce	− 0.15
Packaging and Paper	+ 4.85	Leisure	− 0.45
Stores	+ 4.55	Investment Trusts	− 0.60
Insurance (Composite)	+ 4.50	Other Consumer	− 0.76
Food Manufacturing	+ 4.35	Office Equipment	− 0.83
Capital Goods	+ 3.74	Insurance Brokers	− 1.76
Financial Group	+ 3.65	Other Groups	− 2.23
Other Industrial Materials	+ 3.31	Banks	− 4.16
Consumer Group	+ 3.27	Motors	− 4.78
Electricals	+ 2.93	Oils	− 5.36
Newspapers, Publishing	+ 2.81	Chemicals	− 5.81
Industrial Group	+ 2.65	Mining Finance	− 9.88
Food Retailing	+ 2.31	Gold Mines Index	−17.91

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Wed., Feb. 11, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Feb. 10 Index No.	Mon., Feb. 9 Index No.	Fri., Feb. 6 Index No.	Thurs., Feb. 5 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (211)	298.13	—	14.02	5.53	8.70	298.15	295.16	293.80	290.35	249.08
2	Building Materials (26)	268.12	−0.2	17.45	6.44	6.84	268.54	264.03	260.87	258.61	241.28
3	Contracting, Construction (26)	457.98	+0.2	19.93	5.55	6.03	457.25	455.84	451.53	443.87	369.28
4	Electricals (27)	985.56	—	8.91	2.65	13.88	985.40	982.09	982.68	962.21	646.77
5	Engineering Contractors (11)	399.63	+0.4	14.92	6.47	8.55	398.00	392.95	389.64	390.85	302.88
6	Mechanical Engineering (71)	173.71	−0.1	16.84	7.66	7.42	173.89	171.00	170.94	170.12	171.86
8	Metals and Metal Forming (13)	139.12	—	18.96	12.00	6.69	139.12	135.75	133.25	131.73	168.17
9	Motors (21)	87.19	−0.7	22.02	9.58	5.23	87.80	87.61	86.62	86.20	114.47
10	Other Industrial Materials (16)	297.69	+0.3	15.40	7.21	7.72	296.92	292.34	289.99	291.61	0.00
21	CONSUMER GROUP (198)	246.25	+0.1	15.47	6.42	7.84	245.93	245.34	245.24	243.84	224.61
22	Brewers and Distillers (20)	264.80	−0.1	17.60	6.91	6.73	265.02	263.18	265.85	265.53	259.63
25	Food Manufacturing (23)	220.28	—	17.85	7.19	6.65	220.28	218.84	219.10	218.48	208.03
26	Food Retailing (14)	474.20	−0.4	9.77	3.38	12.10	476.04	471.48	466.92	464.62	384.66
27	Health and Household Products (7)	267.64	+1.5	9.94	5.33	11.96	263.67	264.48	264.73	261.58	221.00
29	Leisure (22)	348.02	+0.2	16.07	6.57	7.68	347.45	347.73	349.19	347.48	310.35
32	Newspapers, Publishing (12)	439.89	+0.7	20.75	7.09	6.25	436.88	435.79	435.99	433.12	450.58
33	Packaging and Paper (15)	120.22	+0.1	26.56	10.10	4.36	120.12	118.88	116.41	115.22	134.02
34	Stores (44)	258.63	+0.2	11.50	4.87	11.38	258.21	259.00	258.86	254.42	224.96
35	Textiles (21)	131.35	+0.2	19.56	10.27	6.68	131.14	130.56	129.31	129.13	134.22
36	Tobaccos (3)	221.41	−0.4	25.92	10.51	4.39	222.39	221.98	219.89	216.43	209.28
39	Other Consumer (17)	235.87	−0.2	16.17	8.97	7.57	236.33	234.04	232.40	231.29	0.00
41	OTHER GROUPS (79)	215.49	−0.1	18.24	7.93	6.56	215.67	214.48	214.69	213.39	214.41
42	Chemicals (15)	279.25	−0.2	20.92	9.50	5.59	279.87	279.16	281.42	277.38	317.88
44	Office Equipment (6)	100.21	−0.5	18.58	8.29	6.39	100.68	101.13	102.66	102.54	122.02
45	Shipping and Transport (13)	564.83	−0.7	13.45	6.52	9.12	568.58	558.86	550.18	546.59	474.89
46	Miscellaneous (45)	264.50	+0.4	16.75	6.45	7.35	263.41	261.56	260.27	261.17	251.26
49	INDUSTRIAL GROUP (488)	260.30	+0.1	15.32	6.30	7.91	260.16	258.71	258.26	255.79	235.60
51	Oils (12)	870.59	−0.9	27.59	6.04	4.04	878.73	883.73	875.98	875.69	831.08
59	500 SHARE INDEX	308.64	−0.2	18.01	6.24	6.54	309.15	308.20	307.18	304.87	282.49
61	FINANCIAL GROUP (118)	243.40	—	—	5.48	—	243.33	241.84	240.54	240.34	203.18
62	Banks (6)	238.41	+0.8	42.91	7.15	2.79	236.59	228.78	228.71	229.32	236.42
63	Discount Houses (10)	305.62	+0.1	—	5.89	—	305.19	305.12	307.79	306.97	234.64
64	Hire Purchase (5)	218.12	−0.1	10.42	4.70	12.65	218.43	216.16	217.46	219.39	178.40
65	Insurance (Life) (10)	258.13	−0.2	—	5.11	—	258.77	258.76	258.41	260.67	176.86
66	Insurance (Composite) (9)	154.22	+0.2	—	7.59	—	153.87	153.95	153.97	154.89	135.02
67	Insurance Brokers (9)	311.95	−0.6	14.62	7.43	9.36	313.92	311.51	309.23	310.46	287.22
68	Merchant Banks (13)	147.48	−0.6	—	5.25	—	148.35	148.77	147.90	148.42	185.75
69	Property (45)	476.52	−0.4	3.12	2.60	44.60	478.66	482.10	475.12	467.60	369.81
70	Miscellaneous (11)	175.05	+0.4	15.67	5.29	8.11	174.33	172.17	170.39	170.94	136.08
71	Investment Trusts (109)	281.00	+0.3	—	5.40	—	280.18	277.51	276.35	276.84	236.59
81	Mining Finance (3)	203.87	−0.8	16.09	6.58	7.40	205.43	201.31	200.76	204.19	230.87
91	Overseas Traders (20)	428.37	−1.3	11.99	7.11	10.15	433.95	427.94	432.83	433.82	437.34
99	ALL-SHARE INDEX (750)	294.30	−0.3	—	6.08	—	294.72	293.34	292.34	290.91	265.72

FIXED INTEREST PRICE INDICES

	British Government	Wed. Feb. 11	Day's change %	Tues., Feb. 10	xd adj. today	xd adj. 1981 to date
1	Under 5 years	107.60	+0.27	107.30	—	1.58
2	5-15 years	109.88	+0.13	109.74	—	1.54
3	Over 15 years	113.71	+0.08	113.61	—	0.85
4	Irredeemables	127.90	—	127.90	—	0.00
5	All stocks	110.12	+0.16	109.95	—	1.27

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Wed. Feb. 11	Tues., Feb. 10	Year ago (approx.)
1	Low Coupons	5 years	11.54	11.60	12.29
2		15 years	12.32	12.33	12.29
3		25 years	12.42	12.43	12.29
4	Medium Coupons	5 years	13.35	13.43	14.49
5		15 years	13.88	13.89	13.88
6		25 years	13.69	13.69	13.81
7	High Coupons	5 years	13.32	13.43	14.91
8		15 years	14.12	14.13	14.41
9		25 years	13.87	13.88	14.15
10	Irredeemables		11.60	11.59	11.26

		Wed., Feb. 11 Index No.	Wed., Feb. 11 Yield %	Tues. Feb. 10	Mon. Feb. 9	Friday Feb. 6	Thurs. Feb. 5	Wed. Feb. 4	Tues. Feb. 3	Mon. Feb. 2	Year ago (approx)
15	20-yr. Red. Deb. & Loans (15)	52.09	14.21	52.07	52.07	52.15	52.15	52.14	52.12	52.17	51.26
16	Investment Trust Prefs. (15)	50.64	13.37	50.64	50.64	50.69	50.69	50.69	50.69	50.89	47.86
17	Coml. and Indl. Prefs. (20)	68.38	13.12	68.38	68.32	68.27	68.32	68.18	68.09	68.04	61.87

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980-81 high	1980-81 low
GEC	25p	10	635	+ 2	635	326
Shell Transport	25p	9	418	− 6	522	314
ICI	£1	7	292	− 2	402	282
Oil & Gas-Prod'n 'New' (p.p.)	$0.01pd.	7	8½	—	8½	7
Barclays Bank	£1	6	405	+ 5	482	327
Boots	25p	6	250	+ 1	258	158
Bowater	£1	6	194	− 2	214	141
Tricentrol	25p	6	314	− 6	428	250
BP	25p	5	410	− 2	502	320
Guinness Peat	25p	5	109	− 4	148	86
Imperial Group	25p	5	79	− 1	89½	70
Mucklow (A. & J.)	25p	5	110	+ 2	121½	55½
Turner & Newall	£1	5	73	− 1	142	70
Assoc. Dairies	25p	4	180	− 2	200	120
BAT Inds.	25p	4	275	—	295	223

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 2	Feb. 13	May 14	May 26
Feb. 16	Feb. 27	May 28	June 8
Mar. 9	Mar. 20	June 11	June 22

For rate indications see end of Share Information Service

Activity in Options was at a low ebb. Calls were arranged in FNFC, Vlakfontein, Johnson and Firth Brown, Charterhall, Endeavour Oil, ICL, Hampton Trust and Turner and Newall. Puts were taken out in Thorn EMI and Grootvlei, while Lonrho, Loraine and FNFC were dealt in for the double.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfurt
FT-Interzins | DM37.36 | 40.83 | −0.07 | —
Frankft. Effekt. Fd. | DM49.45 | 52.05 | +0.06 | —

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Dec. 31 | US$145.99 | — | —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2
Tel: 01-628 8131. TLX: 886100.
London Agents for:
Anchor 'B' Units | US$1.74 | 1.79 | — | 1.21
Anchor Gilt Edge | £9.16 | 9.23 | +0.01 | 13.76
Anchor Intl. Fd. | US$8.49 | 8.71 | — | 1.21
Anchor In. Jsy. Tst | 39.9 | 42.6 | — | 2.81
Berry Pac Fd. | US$62.00 | | — | 0.89
Berry Pac Strlg. | £3.31 | 3.4632 | — | 1.20
G.T. Asia Fd. | HK$21.26 | | — | 1.18
G.T. Asia Sterling | £26.79 | 27.89 | — | 1.49
G.T. Australia Fd. | A$38.12 | | +2.19 | 0.76
G.T. Bond Fund | US$11.94 | | −0.01 | 10.88
G.T. Dollar Fd. | US$12.51 | | — | 1.20
G.T. Dlr. (Strlg.) Fd | 13.16 | 13.71 | — | 1.14
G.T. Invest. Fd. | US$17.43 | | −0.03 | 0.57
G.T. Japan Small Cos. | US$16.60 | | — | —
Marianne (STG) Fd. | £10.45 | 11.02 | — | 3.30
G.T. Technology Fd. | US$23.01 | | +0.02 | —
G.T. Pacific Fd. | US$15.99 | | +0.09 | 2.19
G.T. Asean Growth Fd. | US$11.57 | 12.38 | — | 0.42

Gartmore Invest. Ltd. Ldn. Agts.
2, St. Mary Axe, London, EC3. 01-283 3531
Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534-73741
Gilt Fund (Jersey) | 88.8 | 92.0 | — | 12.90
Gartmore Fund Managers (Far East) Ltd. (a)(h)
1503 Hutchison Hse., 10 Harcourt Rd., H. Kong
Australian Tst. | US$12.882 | 13.797 | — | —
HK & Pac. U. Tst. | HK$7.671 | 8.196 | — | 2.60
Japan Fd. | US$23.496 | 25.215 | — | 0.60
N. American Tst. | US$22.696 | 24.347 | +0.203 | 1.00
Intl. Bond Fund | US$11.771 | 12.400 | — | 9.30

Gartmore Fund Managers (IOM) (a)
P.O. Box 32 Douglas, Isle of Man Tel. 0624 23911
Gartmore Intl. Inc. | 20.6 | 22.4 | — | 13.70
Gartmore Intl. Grth. | 138.9 | 147.8 | — | 0.50

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.
Sterling Managed Fd. | £102.50 | — | —

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Granville Inv. Tst. | £6.61 | 6.94 | — | 5.40
Next dealing day Feb. 16.

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.
Intl. Fund | $20.56 | 21.25 | — | 10.10
Prices at January 29. Next dealing February 26.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong
Far East Feb. 11 | HK$25.70 | 27.09 | +0.11 | —
Japan Fund Feb. 9 | US$10.20 | 10.73 | — | —

[illegible]

Kleinwort Benson Group
20, Fenchurch St., EC3. 01-623 8000
Guernsey Inc. | 84.6 | 89.7 | — | 5.33
Do. Accum. | 114.5 | 121.4 | — | 5.33
K.B. Eurobond Fd | £8.85 | 8.96 | — | 9.92
K.B. Far East Fd. | US$27.85 | | +0.73 | 1.29

[illegible]

Save & Prosper International
Dealing to:
P.O. Box 73, St. Helier, Jersey 0534 73933
Fixed Interest Funds

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)

Barclays Unicorn Ltd.♥ (a)(c)(g)

Baring Brothers & Co. Ltd.♥ (a)(x)

Bishopsgate Progressive Mgmt. Co.♥

Bridge Fund Managers (a)(c)

Britannia Trust Management (a) (c) (g)

The British Life Office Ltd.♥ (a)

Brown Shipley & Co. Ltd.♥(a)(g)

Canada Life Unit Trst. Mngrs. Ltd.♥

Capel (James) Mngt. Ltd.♥

Carr, Sebag Unit Trust Managers♥ (a)

Charities Official Invest. Fund♥

Chieftain Trust Managers Ltd.♥ (a)(g)

Charterhouse Japhet

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.♥ (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Trust Mgrs. (b) (c)

Funds in Court♥

G.T. Unit Managers Ltd.♥

G. & A. Trust (a) (g)

Gartmore Fund Managers♥ (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (c) (g)

Hill Samuel Unit Tst. Mgrs.♥ (a)

Investment Intelligence Ltd. (a)

Key Fund Managers Ltd. (a) (g)

Kleinwort Benson Unit Managers♥

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund♥

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.♥

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.♥ (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngemnt. Ltd.

Murray Johnstone U.T. Mgmt.♥ (a)

Mutual Unit Trust Managers♥ (a)(g)

National Provident Inv. Mngrs. Ltd.♥

National Westminster♥ (a)

NEL Trust Managers Ltd.♥ (a)(g)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.♥ (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.♥

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)

Quilter Management Co. Ltd.♥

Reliance Unit Mgrs. Ltd.♥

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.♥ (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Scottish Equitable Fnd. Mgrs. Ltd.♥

Security Selection Ltd.

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd.(a)

Sun Alliance Fund Mangt. Ltd.

Target Tst. Mngrs. Ltd.♥(a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers♥

Transatlantic and Gen. Secs. Co. (y)

TSB Unit Trusts (y)

Tyndall Managers Ltd.(a)(b)(c)

Ulster Bank♥ (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Arrow Life Assurance

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance♥

Charterhouse Magna Gp.♥

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.♥

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.♥

Growth & Sec. Life Ass. Soc. Ltd.♥

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.♥

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.♥

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.♥

M & G Group♥

Manufacturers Life Insurance Co.

Merchant Investors Assurance♥

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.♥

Norwich Union Insurance Group♥

Pearl Assurance Co. Ltd.

Phoenix Assurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.♥

Property Growth Assur. Co. Ltd.♥

Providence Capitol Life Assc. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited♥

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group♥

Schroder Life Group♥

Scottish Widows' Group

Standard Life Assurance Company♥

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.♥

Tyndall Assurance/Pensions(a)(b)(c)

Vanbrugh Life Assurance♥

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.♥

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Capital Asset Managers Ltd.

Charterhouse Japhet

Clawton Commodities (Isle of Man) Ltd.

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Craigmount Fund Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

S.G. Europe Obligations S.A.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

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BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

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[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

94¾	82¼	Aust. 5½pc '81-82	94¼	-¼	5.96	13.03
85⅝	72½	Do 6pc 1981-83	85¼		7.14	12.94
67¾	58	N.Z. 7¼pc 1988-92	65		11.29	13.48
82¼	72	Do. 7½pc '83-86	79		9.57	13.43
98	88	Sth Africa 9½pc '79-81	98		9.96	16.42
160	95	S. Rhod 2½pc Non-Ass.	121		—	—
50	31	Do. 3½pc 60-85 Assd.	46xd		7.60	23.20
32	20½	Do. 4½pc 87-92 Assd.	28		17.47	23.80
361	270	Zimbabwe Ann (£100s)	360		—	25.56

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

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AMERICANS

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[illegible]

Eastern Rand

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Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1980-81 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
37	21	Acmex 50c	35	......	02.5c	—	[illegible]
28	12	ACM 20c	17	−1	—	—	[illegible]
19	14	Argosy Gold NL 25c	18	+2	—	—	[illegible]
*199	46½	Bond Corp.	165	+15	07.5c	1.9	[illegible]
156	79	Bougainville I Kina	79	+7	02s.5c	◆	[illegible]
*350	221	CRA 50c	242	−4	†015c	2.3	[illegible]
25	11½	Canada Northwest	18½	−½	—	—	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

1980-81 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
97	40	Barymin	44	−1	—	—	—
17	12	Burma Mines 10p	15	......	0.62	1.1	6.0
445	53	Colby Res. Corp.	215	−15	—	—	—
502	200	Cons. Murch. 10c	200	......	t030c	1.8	8.6
180	75	††Hemerdon 10c	87	......	—	—	—
225	36	Highwood Res.	165	−5	—	—	—
585	310	Northgate C$1	315	−5	—	—	—
*486	322	R.T.Z.	330	......	t16.0	3.2	6.0
£115	£93½	Do.9½%Cn.Ln.'95-2000	£95	−½	Q9½%	—	†10.4
143	91	††SPO Minerals 10p	143	......	—	—	—
58	26	Sabina Inds. C$1	45	......	—	—	—
51	29	††SWCM 10p	34	......	—	—	—
650	411	Tara Explrn. $1	485	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ◆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ∮ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ◆ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	40	......
Bertam	12	......
Bdg'wtr. Est. 50p	595	......
Craig & Rose £1	£11¼	......
Fife Forge	41	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	£21	......
Higsons Brew.	78	......
Holt (Jos) 25p	378	+18
I.O.M. Stm. £1	162xd	......
Pearce (C. H.)	690	+5
Peel Mills	60	......
Sheff. Refrshmt	95	......
Sindall (Wm.)	135	+5

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£93⅝	......
Nat. 9¾% 84/89	£75½	......
Fin. 13% 97/02	£86¼	......
Alliance Gas	58	+3
Arnott	225	......
Carroll (P.J.)	80	......
Concrete Prods.	90	......
Helton (Hldgs.)	30	......
Ins. Corp.	395	......
Irish Ropes	40	......
Jacob	33	......
T.M.G.	26	......
Unidare	92	......

OPTIONS

3-month Call Rates

Industrials

Stock	Rate
A. Brew	7
BOC Intl.	9
B.S.R.	4½
Babcock	11
Barclays Bank	40
Beecham	15
Blue Circle	30
Boots	20
Bowaters	28
B.A.T.	25
Brown (J.)	6½
Burton	18
Cadburys	6
Courtaulds	6
Debenhams	8
Distillers	17
Dunlop	7½
Eagle Star	22
F.N.F.C.	3½
Gen. Accident	30
Gen. Electric	50
Glaxo	22
Grand Met.	14
G.U.S. 'A'	40
Guardian	32
G.K.N.	16
Hawker Sidd.	20
House of Fraser	15
I.C.I.	28
"Imps"	7
I.C.L.	9
Inveresk	3
Ladbroke	24
Legal & Gen.	20
Lex Service	9
Lloyds Bank	28
"Lots"	4
London Brick	6
Lucas Inds.	20
"Mams"	20
Mrks. & Spncr	9
Midland Bank	32
N.E.I.	7
Nat. West. Bank	32
P & O Dfd.	12
Plessey	25
Racal Elect.	32
R.H.M.	4
Rank Org.	16
Reed Intnl.	10
Sears	4½
Tesco	5½
Thorn	28
Trust Houses	18
Tube Invest.	18
Unilever	50
U.D.T.	4½
Utd. Drapery	6½
Vickers	14
Woolworths	5

Property

Stock	Rate
Brit. Land	8
Cap. Counties	12
Land Secs.	35
MEPC	20
Peachey	5
Samuel Props.	15
Town & City	2¾

Oils

Stock	Rate
Brit. Petroleum	36
Burmah Oil	19
Charterhall	11
KCA	22
Premier	10
Shell	43
Tricentrol	34
Ultramar	48

Mines

Stock	Rate
Charter Cons.	20
Cons. Gold	45
Lonrho	10
Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

FINANCIAL TIMES

Thursday February 12 1981

Iran's reserves down $6bn

BY OUR FOREIGN STAFF

IRAN has suffered foreign currency losses of $6bn (£2.6bn) as a result of the western trade embargo and the war with Iraq. President Abolhassan Bani-Sadr said yesterday in a speech to mark the second anniversary of the Islamic revolution.

He said reserves had slumped from $10bn in March 1980 to little over $4bn today. In addition, the Iranian budget for the financial year beginning next month would show a deficit of over $14bn.

Iran's grim economic position was second in importance only to the war with Iraq and President Bani-Sadr warned the public that "tremendous effort and work from everyone is required if the problems are to be solved."

This is the most emphatic statement made by an Iranian leader on the country's economy in recent months and was followed by a blunt warning to the clergy from Iran's religious leader Ayatollah Khomeini.

In a speech read by his son Ahmet to a rally attended by an estimated 250,000 people, Ayatollah Khomeini told the clergy to stop interfering in the executive affairs of the nation. Such activities would lead to disorder and the isolation of the clergy, he warned.

"Those Satans who lead you into such interference are the hard-headed enemies of Islam and the clergy. With such action they achieved their satanic results, isolate you and push the country towards darkness," he declared.

"Interferring in the executive affairs of the country, giving people positions and then taking them away and so on, is illegal and must be avoided."

The message went on to describe this as a serious warning to those clergy serving in the courts, security organisations, reconstruction work and State organisations.

The Ayatollah's message highlights the bitter power struggle going on between President Bani-Sadr and the hard-line fundamentalists. It suggests that Ayatollah Khomeini could be taking up a position more sympathetic to Mr. Bani-Sadr. The President had also fiercely criticised the fundamentalists in his speech, suggesting that they were preparing Iran for tyranny.

Iraq marked the Iranian second anniversary celebrations as well. The Iraquis attacked Iranian oil installations. The Pars news agency in Tehran reported that Iraqi jets had been driven off when they attempted to bomb the pipeline carrying oil from Gevaneh to Bushire and then to the loading terminal at Kharg Island.

There were also reports of continued heavy fighting in the Ilam highlands on the northern front, with suggestions from Baghdad that Iraq may have launched a new offensive in that region.

David Marsh adds: Mr. Ali Reza Nobari, Governor of Bank Markazi, the Iranian central bank, yesterday had talks at the Bank of England on working out further details of last month's financial deal with the U.S.

His talks with Mr. Gordon Richardson, the Bank's Governor, centred on setting up an account at the Bank to pay off claims filed in the U.S. against Iran. They will be settled by an arbitration tribunal comprising the U.S., Algeria and Iran.

Polish PM has moderate support

By Christopher Bobinski in Warsaw

FORMAL APPROVAL of Gen. Wojciech Jaruzelski as Poland's Prime Minister is to be followed today by a Government reshuffle aimed at reassuring the free trade unions that the country's leadership wishes to avoid a major confrontation.

Mr. Mieczyslaw Rakowski, editor of the liberal weekly Polityka, and Mr. Andrzej Jedynak, Minister of Heavy Industry, will be Deputy Premiers. Both are moderates and the appointments add credibility to Mr. Stanislaw Kania's speech yesterday in which he recommended Gen. Jaruzelski to Parliament.

"The Government will carry on a democratic dialogue with society," the party leader pledged. Mr. Kania went out of his way to stress that the appointment of Gen. Jaruzelski, a Soviet-trained career soldier, did not represent a switch to a policy of confrontation "with society."

Gen Jaruzelski, Mr. Kania said, "had always decidedly opposed moves which produced tension, and in a crisis not only supported but was very much a mainstay of the policy of agreement and solutions by political means," a reference to the strike last summer.

The general retains his present post as Defence Minister. The authorities hope that he will command greater respect in society at large than his predecessor, Mr. Josef Pinkowski, and that his appointment will have a sobering effect on the more extreme sections of the Solidarity independent trade union movement.

Mr. Kania assured Parliament that Gen. Jaruzelski would be able "to combine a strong sense of State discipline and opposition to the forces of anarchy with an open attitude to the democratic aspirations of society, as only this can preserve our country from confrontation and its traumatic consequences."

This week's Government changes and the tone of Mr. Kania's remarks are in sharp contrast to the continued attacks in the media against the more extreme elements within Solidarity, which are largely aimed at appeasing growing concern in Moscow and among Poland's East European allies.

Mr. Jedynak, who till now has had responsibility for the shipbuilding industry, took part in negotiations with the strikers last summer.

Mr. Rakowski will have to be responsible for relations with the trade unions. Last month he said in an article that one of the main tasks of the authorities "was to establish a real partnership with the trade unions."

THE LEX COLUMN

The ins and outs of the PSBR

Index rose 0.8 to 486.3

There is widespread institutional support for the British Aerospace offer, which closes tomorrow morning, and although the degree of enthusiasm of small investors must be an unknown quantity, the issue looks like being three to five times subscribed. Brokers are looking forward to some juicy business next Wednesday when dealings open, and the process will begin of assembling small allotments into institutional-sized parcels. At this stage the indications are that there will be enough buying by the big funds in the aftermarket to sustain a premium in the 15p to 20p range, although this could be affected by general market conditions.

Public borrowing

It is hypothetical question time at the Treasury, where — if the latest Economic Progress Report is to be believed — the latest game consists of asking "What would the PSBR have been in 1980-81 if there had been no recession?" Players who find this too easy may prefer to guess what it would have been without the Clegg Commission.

Nothing could be more reasonable than an honest attempt to work out whether or not the fiscal stance is appropriately tight by trying to estimate how much of this year's excessive public borrowing requirement is the result of an unexpectedly deep but temporary recession. Yet with the Budget approaching, the PSBR, having assumed the rather tattered mantle of sterling M3 and become the central magic number, is horribly vulnerable to distortions, fudging, and all the other things that happen to targets under Goodhart's Law.

So it is evident that the Government is being tempted to remove part of the burden of public corporation debt from the PSBR. The plans to allow British Telecom to borrow in the open capital market point in this direction, and British Aerospace will drop out of the PSBR calculations as the Government becomes a minority shareholder. There has been a subtle shift in the attitude towards privatisation; the Government is not so much keen to raise large sums with which to finance its current deficit—it only gets £50m from the Aerospace sale—as to deconsolidate nationalised borrowings.

And then there is the suggestion that export credits should be shifted out of the public sector and into the clearing banks. This would reduce the PSBR at a stroke, but also push up bank lending and have no direct effect on the money supply. It is the sort of cosmetic wheeze that should leave the financial markets cold.

Next month's budget may be the last chance for the Government to salvage the credibility of its financial strategy. A PSBR target based on creative accountancy or unrealistic assumptions would be counter-productive.

Harrisons & Crosfield

Harrisons and Crosfield's proposed offer for the outstanding equity in London Sumatra represents unfinished business from the battles of three years ago, when the Harrisons empire was under attack. The RIT-led consortium which went on the offensive failed to wrest control away from Harrisons, but it succeeded in forcing up valuations and London Sumatra shares bought by the raiders at between 25p and 40p in the mid-70s are now standing at 380p, after rising 37p yesterday.

However the consortium members are likely to be happy with an offer price of about 330p. This values London Sumatra at a discount of perhaps 20 per cent to net assets. The consortium has already enjoyed the main re-rating of the shares and it has recently turned its attentions to another stock, Warren Plantations, in which it has built up a stake of 25 per cent.

So outside shareholders will have little incentive to accept the offer, and presumably they will not be encouraged to do so by Harrisons. It already has effective control of London Sumatra, with 46.6 per cent, and a further 25 per cent will give it comfortable leeway in the future to satisfy any Indonesian pressure for local participation. Meanwhile, plantation shares were generally higher yesterday, and even though there may be some disappointment when the terms of the offer are announced, possibly next week, the speculative excitement in the sector looks as if it has a good deal further to run.

Speculative oils

The dangers of foreign-listed speculative oil companies were hammered home last November when Double Eagle, the quintessential explorer, saw its shares tumble amid "problems of communication." Double Eagle and others had perfected a back-door route to the London market under Rule 163 (1e) which made use of listings in Vancouver and Luxembourg when the London Stock Exchange said no. Now the yellow card is being held up, and the Stock Exchange is cautioning companies to pay a formal visit to Throgmorton Street before knocking on the doors of UK institutions.

In practice, the Stock Exchange has been too ready to give permission for London trades, and it has taken the appearance since last summer of nearly 20 companies and a UK investment of more than £100m before a more stringent set of requirements for the disclosure of price sensitive information has been developed. But the more positive side of the story is that new companies could well now find a more receptive response under a modified Rule 163 (3), previously restricted to companies operating within UK waters.

Weather

UK TODAY

SUNNY intervals and showers.

London, S.E. England, E. Anglia
Dry, bright intervals. Max. 6C (43F).

E., N.E., Cent. England, Midlands, Channel Isles
Cloudy, possible rain later. Max. 7C (45F).

S.W., N.W. England, Wales, Isle of Man, S.W. Scotland
Some rain. Fog patches. Max. 10C (50F).

Elsewhere
Rain, sunny intervals. Max. 8C (46F).

Outlook: Becoming cold.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	11	52	L Ang.†	C	12	54
Algiers	C	15	59	Luxmbg.	F	1	34
Amsdm.	F	3	37	Luxor		—	—
Athens	S	15	59	Madrid	C	5	41
Bahrain		—	—	Majorca	C	11	52
Barclna.	C	10	50	Malaga	S	15	59
Beirut		—	—	Malta	S	16	61
Belfast	C	2	36	M'chstr.	C	2	36
Belgrd.	C	5	41	Melbne.	C	19	66
Berlin	C	1	34	Mx. C.†		—	—
Biarritz	S	8	46	Miami†		—	—
Bmghm.	S	4	39	Milan	F	4	39
Blackpl.	F	5	41	Montrl.†	R	4	39
Bordx.	F	6	43	Moscow	C	−4	25
Boulgn.	S	4	39	Munich	C	−1	30
Bristol	S	5	41	Nairobi	F	29	84
Brussels	F	3	37	Naples	C	12	54
Budpst.	F	5	41	Nassau		—	—
Cairo		—	—	Nwcstl.	F	4	39
Cardiff	F	6	43	N York†	R	13	55
Cas'b'ca	S	14	57	Nice	R	9	48
Cape T.	F	23	73	Nicosia	S	16	61
Chicg †	Sn	−17	1	Oporto	S	10	50
Cologne	C	2	36	Oslo	S	−2	28
Cpnhgn.	F	0	32	Paris	F	4	39
Corfu	C	15	59	Perth	S	30	86
Denver†	F	−23	−9	Prague	F	2	36
Dublin	C	4	39	Reykjvk.	C	1	34
Dbrvnk.	F	15	59	Rhodes	F	16	61
Ednbgh.	C	3	37	Rio J'o†		—	—
Faro	S	13	55	Rome	R	12	54
Florence	R	8	46	Salzbrg.	Sn	2	36
Frankft.	F	3	37	S F'cisc†	R	11	52
Funchal	C	13	55	S. Moritz		—	—
Geneva	S	4	39	Singapr.	F	29	84
Gibraltar	S	15	59	S'tiago†		—	—
Glasgow	C	3	37	Stckhm.	C	0	32
G'rnsey	F	6	43	Strasbg.	F	5	41
Helsinki	Sn	−5	23	Sydney	R	21	70
H. Kong	S	20	68	Tangier	F	14	57
Innsbrk.	F	5	41	Tel Aviv	F	16	61
Invrnss	C	−3	26	Tenerife	F	9	48
I.o Man	C	5	41	Tokyo	S	9	48
Istanbul	F	12	54	T'ronto†	R	7	45
Jersey	S	6	43	Tunis	F	17	63
Jo'burg	F	22	72	Valencia	C	9	48
L. Plms	F	17	63	Venice	R	6	43
Lisbon	S	9	48	Vienna	F	6	43
Locarno	S	11	52	Warsaw	Sn	1	34
London	S	6	43	Zurich	F	3	37

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sn—Snow
† Noon GMT temperatures

Troubled Stone-Platt selling marine propeller businesses

BY IAN RODGER

STONE-PLATT Industries, the financially troubled textile machinery and engineering group, is selling its marine propeller businesses and reorganising its mechanical operations—which include its foundries, foundry equipment and coal handling equipment business.

The company, which has been receiving special support from its bankers since technically defaulting on one of its loans last year, sold its successful pumps business last November for £11.5m as part of a plan to reduce its heavy borrowings.

Mr. L. R. Pincott, chairman, said yesterday that the disposals substantially completed the restructuring of the group, leaving it with the textile machinery, electrical equipment, and specialised foundry businesses.

He declined to disclose the company's financial position.

The largest sale of the fixed pitch marine propeller manufacturing business, is being made to a private company controlled by Mr. J. M. Langham, who was chairman of the Stone-Platt division operating this group of companies.

Mr. Langham, who has resigned from the Stone-Platt board, said yesterday his company would continue to employ all the 900 people—400 of them in the UK—working in the business.

The final sale price will be based on the asset value of the businesses at December 31, 1980. It would, Mr. Langham said, be in excess of £4m. Midland Bank is taking a small equity stake in the new company, Vacu-Lug Investments, and subscribing for preference shares

The deal is subject to the approval of Stone-Platt ordinary and preference shareholders.

Stone-Platt has also agreed in principle to sell to Vickers its controllable pitch marine propeller business, which employs slightly less than 400 people at Greenwich, South London.

On the mechanical operations side, negotiations are under way to sell the group's vibratory (coal handling) equipment business in Glasgow. About 150 of the 200 jobs there are likely to be lost. In addition, the foundry equipment operation at Greenwich is being relocated at Bognor Regis, West Sussex.

Seamen set pay peace terms

BY PAULINE CLARK, LABOUR STAFF

THE National Union of Seamen's executive set out a series of conditions yesterday under which it would agree to arbitration in its pay dispute, which has brought more than four weeks of industrial action.

Prospects for an early end to the dispute rest on whether union and employers can agree on terms for arbitration at talks today at the offices of the Advisory Conciliation and Arbitration Service.

The union warned after the executive meeting that its industrial action would continue "in full swing" until shipowners accepted its conditions.

By an overwhelming majority the executive voted on a series of demands, including payment of a 12 per cent offer previously made by employers while arbitration takes place.

It called for a guarantee that seamen paid off for refusing to sail ships but retained on board by ships' masters would have their lost wages fully restored.

The meeting ended with uncertainty on whether the union would accept arbitration at all, following bitter recriminations from union leaders at the weekend over the outcome of last Saturday's talks at ACAS.

The General Council of British had previously rejected the union's long-standing offer to go to arbitration over its claim for overtime rates at time and a half for all overtime worked by seamen.

But after failing to negotiate a settlement the employers eventually agreed to arbitration, offering payment of a 9.4 per cent rise on basic rates in the interim providing the industrial action was called off.

Shipowners are widely expected today to agree to raise the interim payment to 12 per cent, which includes payment of overtime at time and a half for Sunday work only.

Both sides have come under increasing pressure as selective strike action by seamen has caused increasingly serious disruption to British shipping in UK and overseas ports.

In the most serious programme of action taken by the union since the 1966 national strike, up to 200 ships have been reported daily held up in ports by strikes, and the employers have claimed that some 50 ships have been sold, scrapped or have gone to foreign flags, with hundreds of jobs lost as a direct result of the action.

The union says that the terms of reference for arbitration should include its claim for overtime rates at time and a half on weekdays and double time at weekends and on bank holidays to bring the industry in line with shore-based industries.

Continued from Page 1

Linwood plant

However, Talbot UK also had a Government loan of £50m outstanding when Peugeot took over. Some £22m has been repaid and the remainder becomes repayable if there is a "substantial change in Talbot UK's operations."

The Government will be considering in the next few days whether to call in the loan which otherwise is repayable in annual instalments between 1985 and 1990.

Last year Linwood produced 40,655 Sunbeam cars, of which 20,845 were exported, and 13,283 Avengers, 2,368 for export. Output of the models will end when the plant stops production in June. Talbot hopes to close Linwood completely by the end of 1981.

Continued from Page 1

Unions angered

idea with Nissan.

After the statement, Labour MPs pledged to fight the Linwood closure with every means at their disposal. There will be a half-day debate in the Commons next Tuesday.

Mr Bruce Millan, Shadow Scottish Secretary, demanded that PSA/Citroën should keep its pledges to maintain production at Linwood and the other UK plants. He argued that the company had taken over specific pledges to keep Linwood open and had received substantial sums of Government money in return.

Union leaders last night were preparing to fight against the decision.

Seatrain Lines to go bankrupt

BY IAN HARGREAVES IN NEW YORK

SEATRAIN LINES, the long troubled New York shipping company, has agreed to go into bankruptcy under pressure from a group of Italian creditors.

The company said yesterday it would not contest a petition from three small Italian port supply companies, which are owed more than $1m (£426m), that the company enter chapter eleven bankruptcy proceedings.

Under chapter eleven, the company will continue to operate under existing management while a New York court decides on the disposal of assets.

Mr. Edgar Booth, a New York lawyer acting for the Italians, said his clients had decided to act because Seatrain had been selling so many of its assets without the direct consent in all cases of a creditors committee formed in December.

Mr. Booth said there was particular concern about the sale of Seatrain's Gulf subsidiary, thought to be profitable, to a group of investors based in the Netherlands Antilles. One of the executives of the Gulf operation will be Mr. Stephen Russell, a former top executive with Hertz, the car rental company, who was president of Seatrain until a few days ago.

Mr. Booth said he had received indications that Seatrain was trying to sell its small oil refinery in Abilene, Texas, one of its few remaining marketable assets.

Seatrain, which two years ago was running a fleet of more than 50 ships, has been reduced to a shell in the last six months. Selling its North Atlantic and Pacific container shipping interests.

It has lost money in seven of the last 11 years — $71m in its last two fiscal years. The closure of a disastrous shipbuilding venture at New York's former Brooklyn Navy Yard was a contributor to the losses.

Mr. Booth said Seatrain told a creditors meeting earlier this week that it had $288m in corporate debt, excluding the oil refinery, of which $165m is unsecured debt to suppliers and others.

Chase Manhattan Bank of New York holds most of the secured debt. The bank said yesterday estimates that this sum was $150m were only a little on the high side.

The other major participant in the bankruptcy proceedings will be the U.S. government, which has $350m in loan guarantees outstanding to Seatrain.

The object of the bankruptcy, Chase said, would be to keep Seatrain's operations, including four oil tankers and the refinery, going to generate cash to pay off creditors.

Stock Exchange to alter foreign oil-hunt rules

BY ALAN FRIEDMAN

THE Stock Exchange is to introduce new arrangements to regulate foreign oil and gas companies which raise UK money for overseas exploration.

The Council of the Stock Exchange will require an undertaking from mineral exploration companies raising money in the UK that price-sensitive information released in another market is also released through the London Stock Exchange. Such an undertaking will be a prerequisite to publication of any new issue document.

The requirement is designed to prevent a false market. The Council said yesterday that it would be prepared to ban dealings in cases where it appeared that UK investors might be disadvantaged.

Mr. John Whiteman, a member of the Quotations Committee, said yesterday that the need for increased scrutiny had resulted from observing a number of companies which might have avoided regulation.

He cited the case of Double Eagle, a Vancouver company which raised C$9m (£3.2m) in the UK and then obtained a listing in Vancouver after the London Stock Exchange refused a listing.

"Double Eagle is one instance where information was not released in an adequate manner," he said. Mr. Whiteman said that besides Double Eagle, another reason for the new requirements was that many foreign issue documents did not constitute a proper UK prospectus.

Mr. Whiteman and another Stock Exchange colleague travelled to Canada last month to discuss the new arrangements.

They met regulatory authorities in Toronto, Calgary, Edmonton and Vancouver. The Canadian authorities were anxious to help, said Mr. Whiteman.

In addition to the new regulation, which mainly concerns Rule 163 (1e) the provision for London dealings in foreign-quoted companies without a full listing in London, the Stock Exchange will modify Rule 163(3), the provision for dealings in UK-based companies exploring for oil and gas in British waters.

The Council will be prepared to consider approving dealings under Rule 163(3) in shares of UK-based companies exploring overseas. Companies whose securities are dealt in under this rule will be expected to provide information to the Stock Exchange on a basis comparable to that required of listed companies.

Mr. Roland Shaw, chairman of the UK-based Premier Consolidated Oilfields and a member of the executive committee of the Association of British Independent Exploration Companies (Brindex), welcomed the Stock Exchange requirements yesterday.

"I think this will be a very healthy thing for serious oil companies and for the City," he said.

North American oil companies progress, Page 24

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